

Dated 7 April 2020

**PRUDENTIAL TRUSTEE COMPANY LIMITED
as Security Trustee**

**OPTIVO
as Initial Chargor**

**OPTIVO FINANCE PLC
as Initial Beneficiary**

SECURITY TRUST DEED

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This Security Trust Deed is dated 7 April 2020

Between

- (1) **Prudential Trustee Company Limited** as security trustee for the Beneficiaries (the **Security Trustee**);
- (2) **Optivo**, a charitable community benefit society registered under the Co-operative and Community Benefit Societies Act 2014 with registered number 7561 and as a Registered Provider with the Social Housing Regulator with registered number 4851 whose registered office is at 125 High Street, Croydon CR0 9XP as initial chargor (the **Initial Chargor**); and
- (3) **Optivo Finance plc**, a public limited company incorporated under the laws of England and Wales with company number 7933814 whose registered office is at 125 High Street, Croydon CR0 9XP in its capacity as lender pursuant each 2035 Bond Loan Agreement (the **Initial Beneficiary**).

Whereas

- (A) Pursuant to a bond loan agreement between the Initial Chargor and the Initial Beneficiary dated 7 April 2020 (as from time to time amended, novated, replaced, restated, supplemented or varied, the **Initial Loan Agreement**), the Initial Beneficiary on-lent the proceeds of its £250,000,000 2.857 per cent. Secured Bonds due 2035 (together with any further such bonds, the **2035 Bonds**) on the terms set out in therein. The proceeds of the 2035 Bonds may in future be on-lent to one or more Acceding Chargors (following a cancellation of all or part of the commitment under the Initial Loan Agreement and/or the issue of further 2035 Bonds by the Initial Beneficiary).
- (B) The Initial Chargor (and/or any Acceding Chargors) may enter into further financial or hedging arrangements in the future and it is intended that this Deed may govern the security provided by the Chargors in relation to such arrangements so that the providers of such arrangements have the benefit of this Deed and the security constituted by the relevant Security Documents.
- (C) The parties hereto have therefore entered into this Deed in order to regulate the rights of priority and of enforcement in respect of the rights of the Beneficiaries in relation to the Security Assets under or pursuant to the Relevant Documents.
- (D) The Security Trustee agrees to hold the benefit of the Security Documents and the security created thereunder on trust in accordance with the terms of this Deed for and on behalf of itself and the Beneficiaries.
- (E) It is intended by the parties hereto that this document shall take effect as a deed notwithstanding that any party has executed it under hand or has otherwise failed to fulfil the requisite formalities for execution as a deed.

It is agreed

1 Interpretation

1.1 Definitions

In this Deed:

2035 Bond Loan Agreement means the Initial Loan Agreement and each Additional Loan Agreement (as defined in the Conditions of the 2035 Bonds);

Acceding Chargor means any person which becomes an additional Chargor pursuant to Clause 13.1 (*Acceding Chargors*);

Accession Date means the date of the relevant Beneficiary Accession Deed (or such other date as may be stated in the relevant Beneficiary Accession Deed and agreed by the parties thereto as the date on which that Beneficiary Accession Deed is to take effect subject to and in accordance with Clause 2 (*Relevant Liabilities*));

Additional Beneficiary means any person which becomes a Beneficiary pursuant to Clause 2 (*Relevant Liabilities*);

Additional Funding Beneficiary means each Additional Beneficiary other than a Direct Bond Beneficiary;

Additional Liabilities means all present and future monies, obligations and liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by a Chargor to any Additional Beneficiary under or in connection with any of the Relevant Documents;

Ancillary Documents means the valuations, reports, opinions, certificates of title or other certificates delivered pursuant to the terms of this Deed and held by the Security Trustee and/or any Beneficiary in respect of the Security Assets;

Apportionment Certificate has the meaning given to that term in Clause 3.1(b) (*Division of security*);

Apportioned Part has the meaning given to that term in Clause 3.1(a) (*Division of security*);

Approved Tenancy Agreement the form of tenancy agreement from time to time permitted by the Relevant Beneficiary under its Relevant Documents or, if no requirements are specified in such Relevant Documents (or the relevant Charged Property is a Residual Property), in substantially the form of a standard tenancy agreement of the Chargor which complies with the requirements of the Regulator and/or (where applicable) Homes England and/or (where applicable) the Greater London Authority under the Housing and Regeneration Act or, in respect of any tenancy agreement relating to an Apportioned Part which does not so comply, approved by the Representative of the Relevant Beneficiary (acting reasonably);

Authorised Signatory means, in respect of each Chargor, any officer of such Chargor who is authorised to sign certificates or other documents required under or in connection with any Security Document;

Beneficiaries means, subject to Clause 2.6 (*Relevant Liabilities*):

- (a) the Security Trustee;
- (b) each Funding Beneficiary; and
- (c) each Direct Bond Beneficiary,

and in each case their respective successors and permitted assigns and transferees from time to time (each a **Beneficiary**);

Beneficiary Accession Deed means each deed entered into pursuant to Clause 2.3 (*Relevant Liabilities*), Clause 2.7 (*Relevant Liabilities*) or Clause 2.8 (*Relevant Liabilities*) substantially in the form set out in:

- (a) in respect of Funding Beneficiaries, Part 1 (- *Funding Beneficiary Accession Deed*) of Schedule 1 (*Forms of Accession Deed*); and
- (b) in respect of Direct Bond Beneficiaries, Part 2 (- *Direct Bond Beneficiary Accession Deed*) of Schedule 1 (*Forms of Accession Deed*);

Business Day means a day (other than a Saturday or Sunday or a public holiday in England) on which banks and building societies are open for general business in London;

Certificate of Title means a certificate of title in a form acceptable to the Security Trustee and (where the relevant Property is to be included in any Specific Apportioned Part) the proposed Relevant Beneficiary or (where the relevant Property is to be included within the Residual Properties) the NAB Beneficiaries (in each case, or their Representatives);

Charge includes mortgage and assignment by way of security and vice versa;

Charged Property means all interests of each Chargor in any property held on 'ownership' or leasehold tenure charged pursuant to a Security Document which complies with any relevant requirements of the Relevant Documents and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon (and **Charged Properties** shall be construed accordingly);

Chargor Accession Deed means a deed entered into pursuant to Clause 13.1 (*Acceding Chargors*) in the form set out in Part 3 (- *Chargor Accession Deed*) of Schedule 1 (*Forms of Accession Deed*);

Chargors means the Initial Chargor and each Acceding Chargor (but not any Retired Chargor) (each a **Chargor**);

Commitment means, in relation to any borrowing or other debt obligation (including under any hedging documentation entered into with a Beneficiary), either (as applicable):

- (a) the aggregate of the principal amount which is (or, as the case may be, was immediately prior to any Enforcement Event or Potential Enforcement Event) outstanding from the each Chargor and available for drawing by such Chargor; or
- (b) the aggregate mark to market exposure under any hedging documentation entered into with a Beneficiary which is (or, as the case may be, was immediately prior to any Enforcement Event or Potential Enforcement Event) outstanding from each Chargor (in relation to any such obligation under any such hedging documentation);

Direct Bond Beneficiaries means, in respect of any series of Direct Bonds, collectively, the holders of such Direct Bonds and the other secured parties in respect thereof (howsoever defined in the Direct Bond Documents relating to such Direct Bonds);

Direct Bond Documents means, in respect of any series of Direct Bonds, any documents relating to such Direct Bonds;

Direct Bond Trustee means, in respect of any series of Direct Bonds, the entity appointed as bond trustee in accordance with the terms of the relevant Direct Bond Documents;

Direct Bonds means any secured bonds or other secured securities issued by any Chargor from time to time (other than a private placement of notes to the extent that the holders thereof accede to this Deed as Funding Beneficiaries);

Enforcement Date means the first date upon which the security conferred by any of the Security Documents is enforced;

Enforcement Event means any event, howsoever described, specified in a Relevant Document as an event upon the occurrence of which the Beneficiary or group of Beneficiaries (or any Representative thereof) to whom such Relevant Document relates becomes entitled:

- (a) to call for early repayment of all or any of the Relevant Liabilities under such Relevant Documents; and/or
- (b) to call for cash collateral in respect of all or any contingent Relevant Liabilities under such Relevant Documents (but shall not include any Beneficiary becoming entitled to call for the delivery of cash pursuant to an ISDA credit support annex unless the relevant Chargor fails to make payment thereof when so demanded); and/or
- (c) to terminate all or any of the transactions entered into pursuant to such Relevant Document (but excluding any interest rate arrangement entered into by a Beneficiary to which the relevant Chargor is not a party unless that Beneficiary becomes entitled to terminate the same as a consequence of a default (howsoever described) by such Chargor under the terms of the Relevant Document prior to the scheduled maturity thereof); and/or
- (d) to require the Security Trustee to enforce any of the Security Documents constituting the Beneficiary's Apportioned Part;

EUV-SH means a valuation made on the basis of existing use value for social housing ("EUV-SH") as defined by the RICS at UK VPGA 7 of the RICS Valuation – Global Standards 2017 UK National Supplement (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of RICS Valuation Standards) or, if the RICS Valuation Standards are no longer published at such time, on a basis agreed between the Chargors, the relevant Beneficiary (or their Representative on their behalf), the Security Trustee and a Valuer (in each case, on the assumption that (a) the properties being valued are let on social housing rents and (b) void properties available for re-letting are re-let), and **EUV-SH Properties** shall be construed accordingly;

Funding Agreement means:

- (a) any loan agreement (including the Initial Loan Agreement and each other 2035 Bond Loan Agreement); and/or
- (b) any hedging arrangement; and/or
- (c) any note purchase agreement; and/or
- (d) any other agreement or instrument,

in each case, entered into between, *inter alios*, a Funding Party or Funding Parties and one or more Chargor and designated by the parties thereto as a Funding Agreement for the purposes of this Deed;

Funding Beneficiary means, in relation to each Funding Agreement, each Funding Party under such Funding Agreement, the Representative acting on behalf of the Funding Party(ies) under such Funding Agreement and the Security Trustee;

Funding Party means an entity which is or becomes a party to a Funding Agreement, in its capacity:

- (a) as a lender, an arranger or similar agent and/or a provider of hedging arrangements (including the Initial Beneficiary); and/or
- (b) a purchaser or holder of any privately placed registered notes issued by one or more Chargors,

and is a party to this Deed or accedes to this Deed in accordance with Clause 2 (*Relevant Liabilities*);

Greater London Authority means the Greater London Authority as constituted pursuant to Part I of the Greater London Authority Act 1999;

Group means the Initial Chargor and any other present or future, direct or indirect, subsidiaries of the Initial Chargor (which includes, for the avoidance of doubt, any entity with which any Chargor may merge, amalgamate with or be consolidated with at any time);

Homes England means the Homes and Communities Agency constituted pursuant to Part 1 of the Housing and Regeneration Act trading as Homes England and any successor for the time being or any similar future authority carrying on any of the same grant/investment making functions (which for the purposes of this definition does not include the functions of the Social Housing Regulator), and where the context so requires, reference to Homes England shall include reference to the Greater London Authority (as applicable);

Housing and Regeneration Act means the Housing and Regeneration Act 2008 (as amended by the Localism Act 2011 and the Housing and Planning Act 2016);

Housing Associations Act means the Housing Associations Act 1985;

Initial Liabilities means all present and future monies, obligations and liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by any Chargor to the Initial Beneficiary under or in connection with any Finance Documents (as defined in each 2035 Bond Loan Agreement) or any of the Security Documents and Ancillary Documents in respect of its Apportioned Part;

Legal Mortgage means a deed incorporating, inter alia, a Charge by way of first legal mortgage in, or substantially in, the form of Schedule 5 (*Form of Legal Mortgage*) with such amendments as the Security Trustee may require (acting, as applicable, on the instructions of the relevant Representative) in order that the Charge should be valid, effective and enforceable;

MV-ST means a valuation made on the basis of the current Market Value as defined by the RICS at VPS4 of the RICS Valuation – Global Standards 2017 UK National Supplement (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of the RICS Valuation Standards) (effectively, in these circumstances, based on the fact that the properties are subject to existing tenancies but are not restricted to use as social housing let at sub-market rents, and that any Units that become vacant may be sold with vacant possession) or, if the RICS Valuation

Standards are no longer published at such time, on a basis agreed between the Chargors, the relevant Beneficiary (or their Representative on their behalf), the Security Trustee and a Valuer;

MV-ST Properties means the Properties accepted as such in accordance with the provisions of the relevant Relevant Documents;

NAB Beneficiaries means the Beneficiaries who have been allocated Properties on a Numerical Apportionment Basis (and **NAB Beneficiary** shall be construed accordingly);

NAB Properties means, at any time, the aggregate number of Units comprising the Residual Properties that have been allocated to the NAB Beneficiaries;

NAB Security Percentage means, in relation to any particular NAB Beneficiary, the number of Units allocated under the Numerical Apportionment Basis attributable to that NAB Beneficiary, as amended from time to time, divided by the total number of Units comprising the NAB Properties, as amended from time to time (expressed as a percentage);

NAB Trustee Costs means:

- (a) all Trustee Costs which relate exclusively to the Residual Properties;
- (b) all amounts due to the Security Trustee from the NAB Beneficiaries under Clause 9.4 (*Indemnities*); and
- (c) the aggregate of the Relevant Proportion of all NAB Beneficiaries of all amounts due and payable under Clause 10 (*Remuneration of the Security Trustee*) but which remain unpaid;

Numerical Apportionment Basis has the meaning given to that term in Clause 3.1(a) (*Division of security*);

Party means a party to this Deed including, for the avoidance of doubt, any Acceding Chargor and/or any Additional Beneficiary and any successor or permitted transferee or assignee (whether immediate or derivative) of any Party;

Potential Enforcement Event means any event which with the giving of notice, passage of time, the making of any certification and/or declaration and/or demand and/or determination or the fulfilment of any other applicable condition or any combination of the foregoing will constitute an Enforcement Event;

Proceeds means the aggregate of all receipts or recoveries by the Security Trustee pursuant to, or upon enforcement of, any of the Rights after deducting (to the extent not already deducted or retained prior to such receipt or recovery by the Security Trustee) all sums which the Security Trustee is required under the terms of the Relevant Documents or by applicable law to pay to any other person before allocating such proceeds to its own costs and distributing any such receipts or recoveries to any of the Beneficiaries;

Properties means, in relation to any person, all estates or interests of such person in any freehold or leasehold property (wherever situate on today's date or in the future legally or beneficially owned by it and all buildings, fixtures, fittings (other than tenants' fixtures and fittings) and fixed plant and machinery from time to time thereon, and reference to **Property** or **property** shall be taken to include references to the whole or any part or parts of any property comprised therein at any time) which is the subject of a Legal Mortgage and complies with all applicable requirements of the Relevant Documents;

Registered Provider means a "registered provider of social housing" as such term is defined in the Housing and Regeneration Act;

Regulation means and includes any regulation, rule, official directive, code of practice, request or guideline (whether or not having the force of law but if not having the force of law being of a kind that is customary for the relevant person (or persons of its status or type carrying on a similar business) to comply with) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

Regulatory Framework means the regulatory requirements, codes of practice and regulatory guidance described in the publication entitled "What is the regulatory framework?" published by the Homes and Communities Agency on 1 April 2015, as such regulatory requirements, codes of practice and/or regulatory guidance may be amended, supplemented, varied or replaced from time to time, or if withdrawn and not replaced, the then applicable regulatory requirements, codes of practice and regulatory guidance of the Social Housing Regulator;

Relevant Beneficiary means any Beneficiary or group of Beneficiaries for whom the Proceeds of any Properties and other Security Assets are allocated for application in reduction of its Relevant Liabilities in accordance with Clauses 2.3 (*Relevant Liabilities*) and 3.1 (*Division of security*);

Relevant Documents means:

- (a) in relation to the Initial Beneficiary, the 2035 Bond Loan Agreements and the other Finance Documents (as defined in each 2035 Bond Loan Agreement) and any Security Documents and Ancillary Documents in respect of its Apportioned Part;
- (b) in relation to each Additional Funding Beneficiary, each agreement or other instrument between one or more Chargor and such Additional Beneficiary specified as a Relevant Document in any Beneficiary Accession Deed executed by that Additional Beneficiary (or its Representative) and any Security Documents and Ancillary Documents in respect of its Apportioned Part; and
- (c) in relation to each Direct Bond Beneficiary, each Direct Bond Document specified as a Relevant Document in any Beneficiary Accession Deed executed by the Representative thereof and any Security Documents and Ancillary Documents in respect of its Apportioned Part,

and each is a **Relevant Document**;

Relevant Liabilities means, in relation to any Beneficiary or group of Beneficiaries, all present and future monies, obligations and liabilities (whether actual or contingent and whether sole or joint) payable, owing, due or incurred by any Chargor to that Beneficiary or group of Beneficiaries under or in connection with any of the Relevant Documents;

Relevant Proportion means, in respect of any Apportioned Part or, as the case may be, Relevant Beneficiary:

$$\frac{A}{B}$$

where:

A is the total Commitments in respect of the Relevant Beneficiary; and

B is the total Commitments in respect of all Beneficiaries;

Relevant Trustee Costs means, in relation to a Relevant Beneficiary:

- (a) in respect of any Apportioned Part all Trustee Costs which relate exclusively to the Apportioned Part of that Relevant Beneficiary;
- (b) all amounts due to the Security Trustee from the Relevant Beneficiary under Clause 9.4 (*Indemnities*); and
- (c) the Relevant Beneficiary's Relevant Proportion of all amounts due and payable under Clause 10 (*Remuneration of the Security Trustee*) but which remain unpaid;

Representative means:

- (a) in relation to the Initial Beneficiary, the Initial Beneficiary;
- (b) in relation to each Additional Funding Beneficiary at any time after the Accession Date of such Additional Funding Beneficiary whilst there are any Additional Liabilities outstanding under the Relevant Documents to which that Additional Funding Beneficiary is party, the entity designated in the relevant Beneficiary Accession Deed as the Representative in relation to that Additional Funding Beneficiary; and
- (c) in relation to the Direct Bond Beneficiaries of any series of Direct Bonds, the Direct Bond Trustee in respect of such series of Direct Bonds;

Residual Properties means, at any time, the Units that have not been allocated to any Specific Beneficiary on a Specific Apportionment Basis;

Retired Chargor means an entity which was formerly a Chargor but which has ceased to be a Chargor pursuant to the provisions of Clause 13.2 (*Retiring Chargors*);

RICS means the Royal Institution of Chartered Surveyors.

Rights means all rights vested in the Security Trustee by virtue of, or pursuant to, its holding the interests conferred on it by the Security Documents or under the Ancillary Documents and all rights to make demands, bring proceedings or take any other action in respect thereof;

Right to Buy means the right of a tenant of any Property to buy or acquire part or all of such Property (including, without limitation, by means of a Shared Ownership Lease) from a Chargor under section 180 of the Housing and Regeneration Act or Part V of the Housing Act 1985 (or any similar right or scheme replacing or supplementing that right) or where a grant is provided to the relevant Chargor in respect of such a sale under section 35(1) of the Housing and Regeneration Act or any other statute conferring similar rights to buy or acquire to tenants of Registered Providers with which the relevant Chargor is obliged to comply or under any contract or other voluntary arrangement conferring such a right (and including, without limitation, such rights preserved notwithstanding any previous transfer of such Property from any local authority);

Secured Obligations means the aggregate of:

- (a) the Relevant Liabilities to each and all of the Beneficiaries;

- (b) to the extent not covered by (a), all indemnification and reimbursement obligations of the Chargors under any of the Relevant Documents to each and all of the Beneficiaries; and
- (c) to the extent not covered by (a) and (b), all other amounts payable by the Chargors to the Security Trustee, any nominee, delegate, co-trustee or agent thereof or any receiver under any of the Relevant Documents;

Security Assets means all assets, rights and property of the Chargors mortgaged, charged or assigned pursuant to any Security Document and the Rights;

Security Certificate means a certificate issued by the Security Trustee in favour of a Representative for itself as Representative and on behalf of the relevant Beneficiaries in the form set out in Schedule 4 (*Form of Security Certificate*);

Security Documents means:

- (a) each Legal Mortgage entered into between a Chargor and the Security Trustee;
- (b) this Deed;
- (c) any other document specified as such:
 - (i) in relation to any Residual Properties, by the relevant Chargor, the Security Trustee and all Representatives of the NAB Beneficiaries; or
 - (ii) in relation to any Properties included in a Specific Apportioned Part, by the relevant Chargor, the Security Trustee and the relevant Representative; and
- (d) any other document supplementing or amending a document which, in accordance with paragraphs (a) to (c) above, is a Security Document;

Security Interest means any mortgage, pledge, lien, charge (including, for the avoidance of doubt, a floating charge), security assignment, hypothecation or other security interest or encumbrance of any kind or any other agreement or arrangement having the effect of conferring security or any other type of preferential arrangement (including, without limitation title transfer and retention of title) having a similar effect;

Security Register means the register maintained under Clause 3.8 (*Security Register*);

Shared Ownership Lease means a shared ownership lease as defined in section 106 of the Housing Associations Act, where the terms of any such lease:

- (a) are imposed by statute;
- (b) comply with the requirements of Homes England, the Greater London Authority, the Regulatory Framework and/or any other guidance issued by the Social Housing Regulator (in each case, where applicable); or
- (c) have been approved by:
 - (i) in respect of any Residual Property, all Representatives of each NAB Beneficiary;
 - (ii) otherwise, the Representative of the Relevant Beneficiary,

including, in particular, any mortgagee protection provisions proposed to be inserted in any such lease;

Shared Ownership Property means any Property occupied or to be occupied pursuant to a Shared Ownership Lease where the relevant Chargor holds, or will hold upon disposal on shared ownership terms by the grant of the Shared Ownership Lease, less than 100% of the beneficial interest in that Property and the purchaser of the balance of that beneficial interest may have the right to acquire a further portion of the relevant Chargor's retained beneficial interest;

Shared Ownership Sale means a disposal (after the grant of the original Shared Ownership Lease) of part or all of a Chargor's beneficial interest in any Shared Ownership Property pursuant to the shared ownership terms applying to that Shared Ownership Property;

Specific Apportioned Part means the Apportioned Part of any Specific Beneficiary;

Specific Apportionment Basis has the meaning given to that term in Clause 3.1(a) (*Division of security*);

Specific Beneficiary has the meaning given to that term in Clause 7.2(b) (*Application of Proceeds*);

Social Housing Regulator means the Regulator of Social Housing established by the Legislative Reform (Regulator of Social Housing) (England) Order 2018 and any successor or successors for the time being or in each case any similar future authority carrying on any of the same regulatory/supervisory functions as the regulator of social housing;

Taxes includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and **Tax** and **Taxation** shall be construed accordingly;

this Deed means this Deed and includes each Beneficiary Accession Deed and Chargor Accession Deed and any deed or other document executed in accordance with the provisions hereof (as from time to time modified in accordance herewith) and expressed to be supplemental hereto;

Trustee Acts means the Trustee Act 1925 and the Trustee Act 2000;

Trustee Costs means all remuneration, costs, expenses and liabilities (including, without limitation, indemnity liabilities) referred to in Clause 10 (*Remuneration of the Security Trustee*) and all remuneration, costs, expenses and liabilities (including, without limitation, indemnity liabilities) for which any Chargor is liable under any Security Document;

Trust Property means the Security Interests constituted by the Security Documents, the Rights and the Proceeds;

Unallocated Properties means, at any time, the aggregate number of Units comprising the Residual Charged Properties that have not been allocated to the NAB Beneficiaries on a Numerical Apportionment Basis;

Unit means, at any time, a Property or part thereof in relation to which there is or, when let, there would be, a separate rental contract entered into with a Chargor and **Units** means all such Properties or parts thereof;

Valuation Report means, in relation to any Properties, a valuation of those Properties addressed to, inter alios, the Security Trustee provided by a Valuer containing such information as is relevant to the Properties and showing the value of the Properties on the basis of EUV-SH and/or MV-ST (to the extent applicable) or, where agreed between the Security Trustee and the Chargors, a letter from the relevant Valuer confirming that there have been no material changes in respect of a previous Valuation Report given by such Valuer in respect of such properties;

Valuer means one of the firms of surveyors appointed in accordance with the Relevant Documents;

Valuer's Expenses means the fees and expenses of the surveyor incurred in undertaking the allocation contemplated in Clause 8 (*Application of Proceeds*); and

VAT means value added tax as provided for in the Value Added Tax Act 1994 or any similar tax which may be imposed in addition to or in place thereof from time to time.

- 1.2 In this Deed (save to the extent that the context otherwise requires) reference to any agreement, contract, deed or other document (including this Deed and any Relevant Document) or to any provision thereof shall be construed as including any amendment, novation, restatement, replacement, supplement or variation thereof from time to time and reference to any provision of a law is a reference to that provision as amended or re-enacted and to any Regulation made under it.
- 1.3 References herein to each **Beneficiary**, the **Initial Beneficiary**, each **Representative** or the **Security Trustee** shall be construed so as to include its and any subsequent successors, transferees and assigns (whether immediate or derivative) in accordance with their respective interests. References herein to the **Chargors** shall be construed so as to include their and any subsequent permitted successors, permitted transferees and permitted assigns in accordance with its interests.
- 1.4 Any provisions herein relating to Additional Beneficiaries or Additional Liabilities shall only be applicable after the first Accession Date and the parties hereto may, until the first Accession Date, exercise their rights and perform their obligations as if this Deed made no reference to Additional Beneficiaries and Additional Liabilities.
- 1.5 **Administration** shall be construed as a reference to any type of administration (including but not limited to housing administration) and **administrator** shall be construed accordingly.
- 1.6 References herein to a **person** shall be construed as a reference to any person, firm, company, body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- 1.7 For the purposes of this Deed:
- (a) subject to the Security Trustee having received express written notice to the contrary, the Security Trustee shall not concern itself whether any Representative is entitled (under the terms of any Relevant Document) to give any request or instruction to the Security Trustee;

- (b) if any Representative, in issuing any request or instruction, breaches any rights or restrictions set out in any Relevant Document, this shall not invalidate the request or instruction unless the relevant Representative notifies the Security Trustee in writing in relation to a request or instruction made or given by it before the Security Trustee commences to act on such request or instruction that such request or instruction was invalid and should not be acted on. If the Security Trustee is so notified after it has commenced to act on a request or instruction, the validity of any action taken prior to such notification shall not be affected but the Security Trustee shall take no further action in accordance with such request or instruction, except to the extent that it has become legally obliged to do so;
- (c) except where expressly permitted under a Relevant Document, only the relevant Representative shall, in accordance with the terms of the applicable Relevant Documents and this Deed, be entitled to make requests or give instructions to the Security Trustee in respect of the Relevant Documents, the Relevant Liabilities and the Apportioned Parts and no other party to such documents nor the Chargors shall have any rights to do so or otherwise to request the Security Trustee to take any action or proceedings under or in relation to any Relevant Document;
- (d) in relation to each separate Apportioned Part attributed to the Relevant Liabilities owed to a Beneficiary or group of Beneficiaries, the Security Trustee shall act in accordance with the requests and instructions of the relevant Representative of that Beneficiary. For the avoidance of doubt, only the Representative of that Relevant Beneficiary shall issue instructions to, and make requests of, the Security Trustee in relation to the Apportioned Part attributed to those Relevant Liabilities; and
- (e) reference to exercise of any right by a Representative will include reference to such exercise by the Representative either on its own account or on behalf or on the instruction of any persons for which it acts as Representative,

provided that nothing in this Clause 1.7 shall prevent the Chargors from requesting consents or approvals in relation to any Apportioned Part where required under any Security Document.

- 1.8 If the Security Trustee considers that an amount paid to the Security Trustee or any Beneficiary for application in or towards repayment of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of any Chargor or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes of the Security Documents.
- 1.9 A certificate of the Security Trustee setting forth the amount of any Secured Obligation due from any Chargor shall be prima facie evidence of such amount against the Chargors in the absence of manifest error. The Security Trustee shall, for the purpose of certifying the amount of any such Secured Obligation due from any Chargor, be able to rely on any information provided to it by any Chargor, any Beneficiary and/or any Representative without any liability on the part of the Security Trustee.
- 1.10 Clauses 7 (*Application of Proceeds*) and 9 (*Activities of the Security Trustee*) of this Deed are deemed to form part of each Legal Mortgage as if expressly incorporated into it and as if all references in such Clauses to this Deed were a reference to such Legal Mortgage.
- 1.11 A person who is not a Party to this Deed (other than a Beneficiary) has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any terms of this Deed.

- 1.12 The index to and the headings in this Deed are for convenience only and are to be ignored in construing this Deed.
- 1.13 Unless a contrary intention appears, a term used in any other Security Document or in any notice given under or in connection with any Security Document has the same meaning in that Security Document or notice as in this Deed.
- 1.14 In this Deed, unless the contrary intention appears, a reference to **continuing** in relation to an Enforcement Event, Potential Enforcement Event or other event or occurrence, shall be construed as a reference to an Enforcement Event, Potential Enforcement Event or other event or occurrence (as applicable) which has occurred which has not been remedied or waived in accordance with the terms hereof or of the Relevant Document (as applicable).
- 1.15 In this Deed, unless the contrary intention appears, a reference to:
- (a) the Greater London Authority, Homes England or the Social Housing Regulator shall be construed, unless the context otherwise requires, as appropriate, as a reference to any predecessor of the Greater London Authority, Homes England or the Social Housing Regulator (as applicable), including but not limited to The Housing Corporation, the Tenant Services Authority, the Homes and Communities Agency and/or the Regulation Committee established by the Homes and Communities Agency pursuant to Part 2 of the Housing and Regeneration Act (as applicable); and
 - (b) a **community benefit society** shall be construed as either (i) a pre-commencement society (as defined in the Co-operative and Community Benefit Societies Act 2014) formed for the benefit of the community and registered under the Industrial and Provident Societies Act 1965 prior to 1 August 2014 or, as the case may be, (ii) a society registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 on or after 1 August 2014.

2 Relevant Liabilities

- 2.1 All monies and liabilities now or at any time hereafter due, owing or incurred by the Chargors in respect of:
- (a) the Initial Liabilities; and
 - (b) subject to Clauses 2.2, 2.3 and 2.8, the Additional Liabilities,
- shall be Relevant Liabilities.
- 2.2 If the Chargors wish any person to become a Beneficiary under this Deed, the Chargors shall notify the Security Trustee that such person is to become a Beneficiary hereunder. Each Beneficiary:
- (a) shall be a sole lender or funder to a Chargor (including, without limitation, by way of a loan or a registered security however so described (including, for the avoidance of doubt, any note purchase agreement));
 - (b) shall be a hedging counterparty with a Chargor; or
 - (c) shall act through a Representative.

For the avoidance of doubt, where a Beneficiary is also a Representative, it will act in accordance with the request and instructions of the Beneficiaries for whom it is acting as Representative and in accordance with the terms of the Relevant Documents. Where more than one Beneficiary acts through a Representative, any discretions, decisions or actions to be undertaken pursuant to this Deed or any other Security Document by a Beneficiary shall be undertaken by such Representative on behalf of the relevant Beneficiaries and the term **Beneficiary** shall be construed accordingly. No person may become a Beneficiary unless that person or its Representative is either an original Party or has entered into a Beneficiary Accession Deed and Relevant Documents recording the terms of the Relevant Liabilities. A new lender (howsoever defined) pursuant to a syndicable or syndicated loan agreement or a new noteholder (howsoever defined) pursuant to a note instrument which is a Relevant Document shall automatically become a Beneficiary without further formality or requirement for a Beneficiary Accession Deed upon it becoming a new lender or new noteholder in accordance with the terms of the applicable Relevant Document.

2.3 No later than the relevant Accession Date, the Chargors and either the Representative in respect of each proposed Additional Beneficiary or the proposed Additional Beneficiary shall deliver to the Security Trustee:

(a) in respect of Additional Funding Beneficiaries:

- (i) a Beneficiary Accession Deed executed by the relevant Chargor and each proposed Additional Beneficiary (or the Representative in respect of each proposed Additional Beneficiary); and
- (ii) a copy of the Relevant Documents evidencing or regulating the Relevant Liabilities executed by the relevant Chargor and each proposed Additional Beneficiary (or the Representative in respect of each proposed Additional Beneficiary);

(b) in respect of Direct Bond Beneficiaries:

- (i) a Beneficiary Accession Deed executed by the relevant Chargor and the Representative in respect of the proposed Direct Bond Beneficiaries; and
- (ii) a copy of the relevant Direct Bond Documents;

(c) in each case, any Security Documents and Ancillary Documents which may be required under the Relevant Documents and the relevant Beneficiary Accession Deed; and

(d) (if any Properties are to be designated to such Additional Beneficiary at such time) a revised Apportionment Certificate (completed in accordance with Clause 3.1 (*Division of security*)), incorporating details of the Units or Properties, as applicable, and any other Security Assets the Proceeds of which are allocated for application in reduction of the Relevant Liabilities of the proposed Additional Beneficiary.

2.4 Subject to Clause 2.5 and Clause 3.2 (*Conditions precedent*), upon receipt by the Security Trustee of the duly completed and executed documents referred to in Clause 2.3, the Security Trustee shall execute the Beneficiary Accession Deed and issue a Security Certificate to the Representative of the Additional Beneficiary or Additional Beneficiaries and the Chargors and shall also give notice thereof to the Representative of each existing Beneficiary (if any).

2.5 Each Beneficiary irrevocably instructs (or, in the case of the Direct Bond Beneficiaries, shall be deemed to have irrevocably instructed and the relevant Representative irrevocably instructs)

the Security Trustee to execute on its behalf each Beneficiary Accession Deed duly delivered to the Security Trustee under Clauses 2.3, 2.7 or 2.8. It is hereby agreed by the parties hereto that any Beneficiary Accession Deed delivered pursuant to Clauses 2.3, 2.7 or 2.8 shall, following its execution by the Security Trustee, take effect upon the Accession Date for that Beneficiary Accession Deed.

- 2.6 If a Chargor has irrevocably repaid all liabilities to any Beneficiary or group of Beneficiaries in respect of any Relevant Liabilities and such Beneficiary or group of Beneficiaries is/are not under a commitment to make any facility or financial accommodation available to, or to purchase further securities from, such Chargor under the Relevant Documents, the relevant Representative and the relevant Chargor shall notify the Security Trustee to that effect (who in turn shall promptly notify the Representatives of the remainder of the Beneficiaries) and such Beneficiary or group of Beneficiaries shall cease to be Beneficiaries under this Deed. In the event that any Properties or Units were included in an Apportioned Part in respect of any person who has ceased to be a Beneficiary hereunder, such Properties or Units shall be allocated as Unallocated Properties until an amended Allocation Certificate is delivered pursuant to Clause 3.1(a).
- 2.7 In the event that the rights of any Funding Beneficiary (**Outgoing Funding Beneficiary**) under the Relevant Documents pass to another person (**Replacement Funding Beneficiary**) (whether by sale, transfer, assignment, novation or replacement of a Representative or other agent or trustee or otherwise, but excluding any transfer, assignment or novation by a lender to a new lender or by a noteholder to a new noteholder (howsoever such terms are defined in and in accordance with the applicable Relevant Document)) and the Outgoing Funding Beneficiary does not have a Representative to act for it in respect of this Deed, then the Outgoing Funding Beneficiary will procure that the Replacement Funding Beneficiary executes a Beneficiary Accession Deed (with such modifications as the Security Trustee may agree) and, with effect from execution of such Beneficiary Accession Deed by the Security Trustee, the Security Trustee will recognise the Replacement Funding Beneficiary as a Beneficiary hereunder in place of (or, in the case of a partial sale, transfer, assignment, novation or replacement, in addition to) the Outgoing Funding Beneficiary. The Security Trustee shall be under no obligation to ascertain or verify whether any requirements of the Relevant Documents in respect of the vesting of any rights or powers or functions in the Replacement Funding Beneficiary or its Representative have been complied with. For the avoidance of doubt, no further Beneficiary Accession Deed shall be required to be executed in the event that the rights of any Direct Bond Beneficiary under the Relevant Documents pass to another person.
- 2.8 Any Beneficiary or, as applicable, its Representative together with the Chargors may from time to time execute a further Beneficiary Accession Deed (with such modifications as the Security Trustee may agree) under which documents specified in that Beneficiary Accession Deed are declared to be Relevant Documents. Clauses 2.2 to 2.5 (inclusive) will apply in relation to such Beneficiary Accession Deed and such Relevant Liabilities.

3 The security

3.1 Division of security

- (a) Subject to Clause 3.2, on:
- (i) the date of this Deed (if applicable);
 - (ii) each Accession Date (if applicable);

- (iii) each date on which the Security Trustee is notified that any person who had been apportioned an Apportioned Part has ceased to be a Beneficiary hereunder;
- (iv) each date on which a Legal Mortgage is delivered to the Security Trustee in accordance with Clause 3.2(a); and
- (v) each date on which Properties are to be included in an Apportioned Part or (subject to Clause 3.1(c)) cease to be included in any Apportioned Part as regards any Beneficiary,

each relevant Representative and the relevant Chargors shall apportion, in relation to each Relevant Beneficiary's Relevant Liabilities, the Properties into such number of parts between the Relevant Beneficiaries as is appropriate (each an **Apportioned Part**) (with the remaining number thereof comprising Unallocated Properties) such apportionment to be on an individual or collective basis and be in accordance with the provisions set out below so that either:

- (A) in the event that the relevant Relevant Document states that the "Numerical Apportionment Basis" (the **Numerical Apportionment Basis**) is to apply, the Apportioned Part shall either:
 - 1) be equal to the number of Units designated to such Beneficiary and as agreed between the relevant Chargor and the relevant Representative (together with the relevant Security Assets) as notified to each of the Beneficiaries in accordance with Clause 3.1(b); or
 - 2) comprise the specific Properties designated to such Beneficiary in accordance with the procedure set out in Clause 8 below (together with the related Rights); or
 - (B) in the event that the relevant Relevant Document states that the "Specific Apportionment Basis" (the **Specific Apportionment Basis**) is to apply, the Apportioned Part shall comprise the specific Properties together with related Rights in relation to those Properties (having regard to all the circumstances relating to such Properties including, inter alia, consideration of the results of any investigations or due diligence carried out with respect to such Properties and without designating any specific Property more than once) and any other relevant Security Assets, as notified to each of the Beneficiaries in accordance with Clause 3.1(b).
- (b) With effect from any apportionment effected in accordance with Clauses 3.1(a)(A) or Clause 3.1(a)(B) above, Clauses 3.1(i) or 3.1(k) below or Clause 8, the relevant Chargor shall notify each affected Beneficiary (or Representative on its behalf), copied to the Security Trustee, in writing of:
- (i) where the apportionment of Properties has been achieved on the Numerical Apportionment Basis, the number of Units apportioned to any affected Beneficiary; and
 - (ii) where such apportionment has been achieved on the Specific Apportionment Basis, the specific designated Properties included in such Beneficiary's Apportioned Part,

by delivering to such Beneficiary (or Representative on its behalf), copied to the Security Trustee, a certificate substantially in the form of Schedule 3 (an **Apportionment Certificate**) and such Apportionment Certificate shall be signed by the relevant Chargor and (in acknowledgement of receipt) by the Security Trustee and countersigned by the relevant Beneficiary (or Representative on its behalf).

- (c) In the event that any Property ceases to be included in any Apportioned Part (in respect of the NAB Charged Properties, to the extent that these would otherwise exceed the number of Units that comprise the Residual Properties) due to a disposal of that Property pursuant to the exercise of a Right to Buy or a Shared Ownership Sale in full, the relevant Representative and the relevant Chargor shall deliver an amended Apportionment Certificate to the Security Trustee to reflect that disposal on the earlier of:
- (i) the end of the calendar quarter falling after the date of this Deed in which the relevant disposal occurred; and
 - (ii) the date on which a Apportionment Certificate is delivered under any of Clauses 3.1(a)(ii) to 3.1(a)(v) (both inclusive),

and in each case such amended Apportionment Certificate must include details of such disposal(s) pursuant to the exercise of a Right to Buy or a Shared Ownership Sale in full.

- (d) Each Representative and the relevant Chargor shall review from time to time the Apportionment Certificate following the release and/or substitution of any Property and shall, if required to do so pursuant to Clause 3.1(a), deliver to the Security Trustee an amended Apportionment Certificate signed by the relevant Chargor and each relevant Representative.
- (e) The Apportionment Certificate as amended pursuant to Clause 3.1(c) or Clause 3.1(d) shall not become binding on any Beneficiary unless and until it has been approved and signed by each relevant Representative, such approval and signature not to be unreasonably withheld or delayed. For the purposes of this Clause 3, a relevant Representative is both a Representative of a Beneficiary to whom such Property was designated immediately prior to the issue of the new Apportionment Certificate and a Representative of a Beneficiary to whom such Property is to be apportioned under the new Apportionment Certificate. In the absence of such approval and signature, the most recent Apportionment Certificate so approved and signed shall continue to apply. For the avoidance of doubt, the withholding or delay of approval and signature by a Representative shall not be unreasonable if it is withheld or delayed pending completion of due diligence procedures satisfactory to any relevant Beneficiary or if the results of any such procedures are not satisfactory to the Representative (provided such due diligence procedures are themselves being carried out in good faith and without undue and unreasonable delay) but the withholding or delay of approval by one Beneficiary or Representative shall not affect the agreement of the Apportionment Certificate in so far as it relates to any other Beneficiary.
- (f) The Chargors shall promptly deliver a copy of the amended Apportionment Certificate to the Security Trustee at any time after amendments have been made thereto or otherwise on request of the Security Trustee.
- (g) On each date on which an Apportionment Certificate is delivered to the Security Trustee pursuant to Clause 3.1(b), 3.1(c) or 3.1(d), the Security Trustee shall issue a Security

Certificate in respect of the relevant Apportioned Part apportioned to each relevant Representative.

- (h) On each occasion when the Apportionment Certificate is prepared or revised, the Chargors represent to the Security Trustee, each Representative and each Beneficiary under this Deed at that time that, in relation to any Allocated Part where a Specific Allocation Basis applies, none of its respective Properties or other Security Assets thereto are listed on more than one Apportionment Certificate.
- (i) In circumstances where there is a Potential Enforcement Event or an Enforcement Event in respect of any asset cover, income cover or similar ratio in any Relevant Document, then the Chargors and the Beneficiaries (or any Representative acting on behalf of a Beneficiary) will, to the extent it is necessary and possible, agree to reallocate Units (by withdrawing Properties from the Unallocated Properties and allocating them to another Apportioned Part or, failing which, by withdrawing Properties from one Apportioned Part and allocating them to another Apportioned Part) and will instruct the Security Trustee to reallocate Units accordingly, provided always that the relevant Chargor certifies to the Security Trustee that the asset cover, income cover or similar ratios or any other covenants or requirements that need to be satisfied prior thereto in respect of any other Relevant Document continue to be complied with after such reallocation and no Potential Enforcement Event or Enforcement Event (other than the Potential Enforcement Event or Enforcement Event, as applicable, which is to be remedied by the reallocation of Units) has occurred and is outstanding or would occur as a result of such adjustment. No Properties allocated to a Beneficiary on a Specific Apportionment Basis shall be affected without the prior written consent of the relevant Specific Beneficiary in its absolute discretion. The Chargor shall issue to the Security Trustee and to all Beneficiaries (or any Representative acting on behalf of a Beneficiary) a revised Apportionment Certificate (such Apportionment Certificate shall be signed by the relevant Chargor and countersigned by the Security Trustee) reflecting such reallocation. For the avoidance of doubt, the Units shall not be deemed to be reallocated until the Beneficiaries (or any Representative acting on behalf of a Beneficiary) have countersigned such revised Apportionment Certificate.
- (j) Each NAB Beneficiary's Apportioned Part shall, if required for the purposes of determining compliance with any applicable asset cover, income cover or similar ratios in any Relevant Agreement, be deemed to include the same proportion of EUV-SH Properties and MV-ST Properties as comprise the Residual Properties taken as a whole (as demonstrated in the most recent Apportionment Certificates).
- (k) Following confirmation from each relevant Beneficiary (or Representative on its behalf) that certain Properties have been approved as MV-ST Properties, the relevant Chargor shall deliver a revised Apportionment Certificate signed by it to the Security Trustee and to each relevant Beneficiary (to be countersigned by them or any Representative acting on their behalf) reflecting the inclusion of such MV-ST Properties. Such revised Apportionment Certificate shall become effective on the countersigning by the relevant Beneficiary or Representative on their behalf.
- (l) The Parties agree that:
 - (i) no apportionment shall be effected except in accordance with this Clause 3.1 or Clause 8 (*Change of Apportionment Basis*) below; and

- (ii) any allocation of Properties and relevant Security Assets contemplated by this Clause 3.1 and any other provision of this Deed is notional in nature, being included in this Deed primarily for the purposes of determining, as between the Beneficiaries, their respective shares in the proceeds of any enforcement of the security constituted by the Security Documents over the Properties and relevant Security Assets.
- (m) The Parties agree that Optivo Finance plc:
- (i) is a Party to this Deed in its capacity as lender under the Initial Loan Agreement and any other 2035 Bond Loan Agreement that it may in the future enter into;
 - (ii) shall accede to this Deed and thereafter be treated as an Additional Beneficiary in respect of each loan agreement or group of loan agreements which are entered into between it and any Chargor which are funded by the issue by it of a separate series of bonds or other securities; and
 - (iii) shall be allocated:
 - (A) a single Apportioned Part in respect of all loan agreements which are entered into between it and any Chargor which are funded by the issue by it of the same series of bonds or other securities; and
 - (B) a separate Apportioned Part in respect of each loan agreement or group of loan agreements which are entered into between it and any Chargor which are funded by it a different series of bonds or other securities.

3.2 Conditions precedent

- (a) On or prior to creating a Legal Mortgage in respect of any Property, the relevant Chargor shall deliver to the Security Trustee (or such person as shall be nominated by the Security Trustee, to be held by such person to the order of the Security Trustee) the documents listed in Schedule 2 (*Documents to be provided by the relevant Chargor under Clause 3.2 (Conditions precedent)*) (save to the extent that the Security Trustee waives such requirement), such documents to be in form and substance satisfactory to:
 - (i) the Security Trustee (in its absolute discretion); and
 - (ii)
 - (A) in respect of any Property which is to form part of a Specific Apportioned Part, the Representative of the Relevant Beneficiary; and
 - (B) in respect of any Property which is to form part of the Residual Properties, all Representatives of each NAB Beneficiary,
 (who shall, for the avoidance of doubt, confirm the same to the Security Trustee),

and in each case the Security Trustee shall owe no duty of care to any Beneficiary or any other person in connection with the form or substance of any such documents.

(b) On creating a Legal Mortgage in respect of any Property, the relevant Chargor shall certify to the Security Trustee and the Representative of any Relevant Beneficiary or intended Relevant Beneficiary or the NAB Beneficiaries, as applicable, that:

- (i) it is not aware of any matter affecting the marketability of that security; and
- (ii) if applicable, such Property is let on an Approved Tenancy Agreement,

and the Security Trustee shall deliver a Security Certificate to the Representative of the Relevant Beneficiary or intended Relevant Beneficiary in accordance with the terms of this Deed.

Each Beneficiary will be deemed to have inspected each Security Certificate delivered to its Representative in respect of its Apportioned Part and each document which is referred to in each Security Certificate and has been made available for inspection, whether or not it does inspect the same.

3.3 Execution

Each of the Beneficiaries hereby appoints (or, in the case of each Direct Bond Beneficiary, shall be deemed to appoint) the Security Trustee or such person or persons as the Security Trustee may nominate to execute (whether under seal or under hand) and deliver any Security Document to be executed and delivered on its behalf.

3.4 Registration

Each of the Beneficiaries hereby confirms and agrees (or, in the case of each Direct Bond Beneficiary, shall be deemed to confirm and agree) that it does not wish to be registered as the joint proprietor of any Charge created pursuant to any Security Document in respect of its Apportioned Part and accordingly authorises the Security Trustee to hold such Charge in its sole name as trustee for the Beneficiaries and requests the Land Registry to register the Security Trustee as the sole proprietor of any such Charge in that capacity.

3.5 Release of security

(a) At any time prior to the Security Trustee taking any steps to enforce any Specific Apportioned Part, upon receiving written instructions from the relevant Representative so to do, the Security Trustee shall release the benefit of any Security Interest, rights or obligations held by it as security for all or any of the Secured Obligations over the relevant Apportioned Part allocated to the Relevant Documents in relation to which that Representative has been appointed, provided that the Chargors shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to that Apportioned Part.

(b) At any time prior to the Security Trustee taking any steps to enforce any Apportioned Part in respect of the Residual Properties:

- (i) subject to (ii) below, upon receiving written instructions from the Representatives of all NAB Beneficiaries so to do; and
- (ii) where the Properties to be released constitute Unallocated Properties (such that, following their release, there will be no adjustment required to the Apportioned Part of any NAB Beneficiary), upon receiving written instructions from the relevant Chargor so to do,

the Security Trustee shall release the benefit of any Security Interest, rights or obligations held by it over the relevant Residual Property as security for all or any of the Secured Obligations provided, in each case, that the Chargors shall have paid to the Security Trustee, or provided for to the satisfaction of the Security Trustee, all Trustee Costs which relate to the Residual Properties.

3.6 Protection of Apportioned Part

In relation to any Security Assets comprised in each Apportioned Part in respect of the Relevant Beneficiary:

- (a) save for where there is a Right to Buy or Shared Ownership Sale, the Security Trustee will not execute any release of any Security Document constituting the Apportioned Part unless instructed in writing in accordance with Clause 3.5 (*Release of security*) (and the Representative(s) shall promptly send a copy of any such instructions to the relevant Chargor) (for the avoidance of doubt, such Representative(s) shall promptly instruct the Security Trustee to release any security from any Apportioned Part where such release is permitted pursuant to the Relevant Beneficiary's Relevant Documents and shall promptly send a copy to the relevant Chargor of any such instructions to the Security Trustee) or otherwise save as may be required by law;
- (b) each Representative and each Chargor severally undertakes that it will not without the written consent of the Representative of the Relevant Beneficiary:
 - (i) purport to allocate any Property for the Apportioned Part for such Relevant Beneficiary as security for any monies, liabilities or obligations whatsoever (actual or contingent) payable, owing, due or incurred by any Chargor to any person other than the Relevant Beneficiary; or
 - (ii) save as permitted by the Relevant Documents in respect of the Relevant Beneficiary or save as may be required by law, enter into any deed or document which would create any Security Interest affecting such Apportioned Part; and
- (c) the Security Trustee shall be entitled to (and it is the intention that it shall) rely on any Apportionment Certificate delivered to it in accordance with this Deed and any representation, warranty and approval given by a Representative in any instruction delivered to it or agreement made with it pursuant to this Clause 3 without further enquiry and when releasing the benefit of any Security Interest, right or obligation and/or, as the case may be, reassigning any property and/or, as the case may be, treating any security as Unallocated Properties pursuant to this Clause 3 the Security Trustee shall not be required to (and it is the intention that the Security Trustee shall not) consider whether any rights of or obligations owed to any Beneficiary or group of Beneficiaries will be or are likely to be prejudiced by such release or, as the case may be, reassignment or, as the case may be, treatment as Unallocated Properties.

3.7 Information

Each Representative shall provide the Security Trustee, on request, with accurate and up-to-date information as to the Relevant Liabilities owing (actually or contingently) to the Beneficiary or group of Beneficiaries for which it is the Representative to enable the Security Trustee to perform its functions under this Deed, such certificate to be in a form reasonably required by the Security Trustee and signed by an authorised officer of the Representative and the Security Trustee shall be entitled to rely on any such certificates and shall have no duty to enquire as to the accuracy thereof.

3.8 **Security Register**

The Chargors will at all times maintain, or procure the maintenance of, a register in respect of the Specific Apportioned Parts and the Residual Properties (the **Security Register**). Each Chargor will promptly make an entry in the Security Register in respect of:

- (a) each asset charged by a Chargor in favour of the Security Trustee so as to form part of the Security Assets;
- (b) each release of Security Assets from any Security Document;
- (c) any disposition or dealing affecting any Security Asset including (without limitation) any disposition by operation of law but excluding any letting on an Approved Tenancy Agreement;
- (d) in relation to each Beneficiary, the aggregate number of Units or the specific designated Properties (as applicable) allocated to such Beneficiary;
- (e) each reallocation of Property comprised in an Apportioned Part as Unallocated Properties;
- (f) each reallocation of Property comprised in the Unallocated Properties to an Apportioned Part; and
- (g) each reallocation of Property from the Apportioned Part of one Beneficiary or group of Beneficiaries to another Beneficiary or group of Beneficiaries.

3.9 **Inspection**

The Chargors will ensure that the Security Register:

- (a) in respect of each Specific Apportioned Part will be available for inspection by the relevant Specific Beneficiaries and the Security Trustee; and
- (b) in respect of Residual Properties will be open to inspection by the NAB Beneficiaries and the Security Trustee,

in each case at all reasonable times and upon reasonable notice during business hours at the registered office of each Chargor from time to time.

3.10 **Reconciliation**

Not less than once in every successive period of three months falling after the date of this Deed, the Chargors shall deliver to the Security Trustee a copy of the Security Register and a note of any changes to the Security Register since a copy was last delivered to the Security Trustee so as to enable the Security Trustee to reconcile its records to the Security Register.

3.11 **Documentary taxes indemnity**

All stamp, documentary, registration or other like duties or Taxes, including any penalties, additions, fines, surcharges or interest relating to those duties and Taxes which are imposed or chargeable on or in connection with any Security Document shall be paid by the Chargors. The Security Trustee shall be entitled but not obliged to pay any such duties or Taxes (whether or not they are its primary responsibility). If the Security Trustee does so, it shall notify the Chargors as soon as reasonably practicable, and in any event the Chargors shall on demand

indemnify the Security Trustee against those duties and Taxes and against any costs and expenses incurred by the Security Trustee in discharging them and hereby agrees to pay an equivalent amount to the Security Trustee of any costs or expenses incurred by the Security Trustee in discharging the same.

3.12 **Reliance**

The Security Trustee may rely on the Security Register absolutely without further enquiry or investigation in respect thereof.

4 Trust

The Security Trustee shall hold the Trust Property on trust for the Beneficiaries and, subject to the interest of the Beneficiaries, for the Chargors (in accordance with their respective equity of redemption) on the terms and subject to the conditions contained herein.

5 Modification

5.1 Subject to Clauses 5.2 and 5.3, the Security Trustee may from time to time with the consent or sanction in writing of the Representative of each Beneficiary agree with the Chargors in making any modification to any term of this Deed and/or any Beneficiary Accession Deed and/or any Chargor Accession Deed and/or any Security Document which affects or may affect the rights and obligations of such Beneficiary. Any such modification may be made without the concurrence of the Representative of any other Beneficiary whose rights and obligations are not affected or prejudiced by that modification.

5.2 Clause 7 may only be varied with the consent of all the Beneficiaries (or, in the case of the Direct Bond Beneficiaries, their Representatives).

5.3 Clauses 8 may only be varied with the consent of all NAB Beneficiaries (or, in the case of any Direct Bond Beneficiaries which are NAB Beneficiaries, their Representatives).

6 Default procedure

6.1 If a Representative becomes aware of the occurrence of an Enforcement Event or a Potential Enforcement Event under a Relevant Document to which it is a party which is continuing unremedied or unwaived, it shall as soon as reasonably practicable notify the Security Trustee in writing giving reasonable details of the same and the Security Trustee shall as soon as reasonably practicable following such notice inform each other Representative of the Enforcement Event or the Potential Enforcement Event giving reasonable details of the same.

6.2 Following notification pursuant to Clause 6.1:

- (a) each Representative shall within three Business Days provide the Security Trustee in writing with the information required pursuant to Clause 3.7 (*Information*) solely for the purposes of determining each Beneficiary's Relevant Liabilities; and
- (b) in relation to the Apportioned Part attributed to the Relevant Liabilities of a Relevant Beneficiary, the Security Trustee shall, following the occurrence of an Enforcement Event which is continuing unremedied or unwaived in relation to such Relevant Liabilities and if so instructed in writing by the Representative of that Relevant Beneficiary, enforce the Rights which relate to the Apportioned Part in accordance with the instructions of that Representative provided that nothing in this Clause 6.2 shall entitle the Representative to enforce any Rights contrary to the terms of any Relevant

Document and provided that the Security Trustee shall be entitled to decline to take any action to enforce any security unless indemnified and/or secured and/or pre-funded to its satisfaction.

- 6.3 Each of the Parties agrees (and the Direct Bond Beneficiaries shall be deemed to agree) that an Enforcement Event under a Relevant Document shall constitute an Enforcement Event under each other Relevant Document.

7 Application of Proceeds

- 7.1 The Security Trustee shall, upon the enforcement of the Rights, and after satisfying claims which at law rank in priority to sums owing under or in respect of any of the Relevant Documents, apply all Proceeds and all money derived therefrom:

- (a) in respect of the Security Assets comprised in a Specific Apportioned Part, in the order of priorities set out in Clause 7.2; or
- (b) in respect of the Security Assets comprised in the Residual Properties, in the order of priorities set out in Clause 7.3.

- 7.2 The order of priorities referred to in Clause 7.1(a) is:

- (a) first, in or towards payment of all Relevant Trustee Costs;
- (b) secondly, in or towards satisfaction of all Relevant Liabilities of the Relevant Beneficiary (a **Specific Beneficiary**) (other than Relevant Trustee Costs) in accordance with the Relevant Documents in respect of the Relevant Liabilities (deducting for its own account, where appropriate, any Valuer's Expenses from the relevant Specific Beneficiary's allocation);
- (c) thirdly, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under Clauses 7.2(b) or 7.3(b) pro rata to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such Beneficiary arising in connection with the relevant Relevant Document in the order of priority set out therein (deducting for its own account, where appropriate, any Valuer's Expenses from the relevant Specific Beneficiary's allocation) (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries mutatis mutandis in accordance with the foregoing provisions);
- (d) fourthly, to the extent not recovered under Clauses 7.2(a) or 7.3(a), in or towards payment of all Trustee Costs; and
- (e) fifthly, the balance, if any, to the relevant Chargor.

- 7.3 The order of priorities referred to in Clause 7.1(b) is:

- (a) first, in or towards payment of all NAB Trustee Costs;
- (b) secondly, by allocating the balance among the NAB Beneficiaries by reference to their NAB Security Percentages so that the amount allocated to each NAB Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such NAB Beneficiary arising under or in connection with each Relevant Document to which such NAB Beneficiary is a party in the order of priority set out therein (deducting for its own

account, where appropriate, any Valuer's Expenses from the relevant NAB Beneficiary's allocation) (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities shall be reallocated among the remaining NAB Beneficiaries mutatis mutandis in accordance with the foregoing provisions). For the avoidance of doubt, no surplus amounts shall be reallocated by the Security Trustee until all Relevant Liabilities have been fully discharged in connection with the relevant Relevant Document;

- (c) thirdly, by allocating the balance among the Beneficiaries whose Relevant Liabilities have not been fully discharged under Clauses 7.2(b) or 7.3(b) pro rata to their unpaid liabilities so that the amount allocated to each Beneficiary shall be applied in satisfaction when due of the Relevant Liabilities owed to such Beneficiary arising in connection with the relevant Relevant Document in the order of priority set out therein (and so that, in each case, any surplus remaining after payment of all such Relevant Liabilities when due shall be re-allocated among the remaining Beneficiaries mutatis mutandis in accordance with the foregoing provisions);
- (d) fourthly, to the extent not recovered under Clauses 7.2(a) or 7.3(a), in or towards payment of all Trustee Costs; and
- (e) fifthly, the balance, if any, to the relevant Chargor.

7.4 It is agreed by all Parties that each Specific Beneficiary has a prior ranking interest in such Beneficiary's Specific Apportioned Part and that the NAB Beneficiaries have a prior ranking interest in the Residual Properties including any relevant Security Assets and that the interests of the other Beneficiaries, in each case, are subordinated to this prior claim in the manner set out in Clauses 7.2 and 7.3 above.

7.5 This Clause 7 shall override any appropriation made by any Chargor.

8 Change of Apportionment Basis

8.1 At any time after the security under the Security Documents in respect of the Residual Properties has become enforceable and has been enforced, all (but not some) Beneficiaries under a particular Funding Agreement or Direct Bond Beneficiaries (or a Representative acting on their behalf) who have been allocated Properties on a Numerical Apportionment Basis have the option of serving written notice to the Security Trustee asking for a specific allocation in respect of the NAB Charged Properties and, upon receiving such request, the Security Trustee shall notify the other NAB Beneficiaries.

8.2 Where a NAB Beneficiary (or a Representative acting on its behalf) has requested an allocation as set out in Clause 8.1 above, all proceeds received in respect of the Residual Properties (together with the relevant Security Assets) will continue to be allocated on a Numerical Apportionment Basis in accordance with Clause 7.3 above while the allocations are being determined and until the Valuer, in his absolute discretion as the sole determining expert, has made a final and binding decision in accordance with this Clause 8 and such decision has been notified to all affected Beneficiaries and the Chargors by the Security Trustee in accordance with Clause 3.1(b) above.

8.3 Where a NAB Beneficiary has requested specific allocation in accordance with Clause 8.1, the Security Trustee shall, where indemnified and/or secured and/or pre-funded to its satisfaction, appoint a third party Valuer (proposed by the Chargors and approved by the Security Trustee and notified to all NAB Beneficiaries and, in the event of any disagreement as to the appointment, the firm finally determined by surveyors nominated by the President of the Royal

Institution of Chartered Surveyors to be the most appropriate) who shall be deemed to act as expert and not as arbitrator to propose an allocation of Units for the particular NAB Beneficiary or NAB Beneficiaries.

- 8.4 The Chargors shall procure that the Valuer will undertake a Valuation Report and obtain as accurate information as possible regarding the performance of the Units comprised in the NAB Properties. The allocation will then take place as follows:
- (a) first, each NAB Beneficiary (or Representative acting on its behalf) must be allocated no less than the number of Units allocated to it in its most recent Apportionment Certificate; and
 - (b) secondly, and only to the extent that it does not distort the allocations determined by the number of Units above, the profile of each allocation of Properties must be substantially similar, in the absolute discretion of the Valuer and taking into account the Value, rental income, age, type, location, relevant Security Assets, the proportion of EUV-SH Properties and MV-ST Properties to the total number of Units comprised in the Residual Properties and any other factors considered to be relevant by the Valuer (acting in good faith) relating to the Properties.
- 8.5 The allocation as determined by the Valuer will be distributed by the Security Trustee to all the NAB Beneficiaries for their review. All NAB Beneficiaries shall have the opportunity to submit written comments to the Valuer within 30 days of the distribution of the proposed allocation. The Chargors shall procure that the Valuer shall use all reasonable endeavours to consider all the written comments sent to it by the NAB Beneficiaries and respond to such written comments within 30 days of receipt of the same. Notwithstanding the NAB Beneficiaries' right to send comments to the Valuer, the decision of the Valuer on such allocation shall be final and binding on all NAB Beneficiaries and not subject to appeal and all NAB Beneficiaries agree and acknowledge the Valuer's decision as solely determined and conclusive.
- 8.6 Upon a final and binding decision being made by the Valuer, in accordance with the provisions of this Clause 8 and notified to all affected Beneficiaries (copied to the Chargors) by the Security Trustee in accordance with Clause 3.1(b) above, the NAB Beneficiary or NAB Beneficiaries (or Representative on its or their behalf) requesting specific allocation shall be deemed to be entitled to the Properties that they were allocated in the final allocation on a Specific Apportionment Basis and will thereafter receive those proceeds relating to such Properties to which it is entitled in accordance with the provisions of this Deed on an absolute and unconditional basis free and clear of any claim, interference or contingency whatsoever. The remaining NAB Beneficiaries (if any) will continue to receive proceeds allocated on a Numerical Apportionment Basis (unless there is only one remaining NAB Beneficiary, in which case the remaining Residual Properties will be treated as allocated to such NAB Beneficiary on a Specific Apportionment Basis). Until the notification by the Security Trustee of the final allocation, the proceeds will be allocated as set out in Clause 8.2 above.
- 8.7 In the event that all the NAB Beneficiaries have had the NAB Properties allocated to them on the Specific Apportionment Basis, the Unallocated Properties will be allocated on the same basis as set out in Clause 8 amongst the Beneficiaries who were NAB Beneficiaries immediately prior to the last request for specific allocation.
- 8.8 In the case of any Beneficiary which has appointed a Representative to act as agent on its behalf under any Relevant Document, where the provisions of this Deed require such Beneficiary to take any action, issue or execute any notices, instructions, requests or documents or give or withhold its consent or agreement, such Beneficiary shall act for such purposes

exclusively through its Representative and the Representative shall, and shall be empowered to, take such action, issue or execute such notice, instruction, request or document or give or withhold consent or agreement, in each case, on behalf of such Beneficiary in accordance with the provisions of such Relevant Document.

9 Activities of the Security Trustee

9.1 Instructions

(a) The Security Trustee shall only be required to take any action to enforce or protect the security created by any Security Document in respect of any Apportioned Part and any document referred to therein if instructed to do so:

(i) in respect of any demand or claim and the timing, determination and/or exercise of any claim under any guarantee contained within any Security Document, acting on the written instructions of any Beneficiary (or their Representative on their behalf);

(ii) in respect of a Specific Apportioned Part and Security Assets comprised therein, acting on the written instructions of the relevant Specific Beneficiary (or its Representative on its behalf), including, without limitation, regarding the manner in which the Security Trustee should manage or dispose of the Security Assets within such Specific Apportioned Part; and

(iii) in respect of the Residual Properties and Security Assets comprised therein:

(A) on the written instructions of any NAB Beneficiary (or its Representative acting on its behalf) regarding the timing and determination of an Enforcement Event; and

(B) on the joint written instructions of all the NAB Beneficiaries (and/or the Representatives acting on behalf of all NAB Beneficiaries) (or, to the extent that such joint instructions cannot be agreed, the joint written instructions of a majority (by reference to NAB Security Percentages) of the NAB Beneficiaries (and/ the Representatives acting on behalf of such NAB Beneficiaries)) regarding the manner of management and disposal of the Security Assets within the Residual Properties by the Security Trustee,

and may refrain from exercising any right, power or discretion vested in it by this Deed unless and until so instructed.

(b) The Security Trustee shall be entitled to seek instructions as aforesaid as to the manner in which it should carry out any course of action and will act in accordance therewith subject to the provisions of this Deed (provided that the Security Trustee may in its discretion elect not to act pending receipt of such instructions and/or an indemnity and/or security and/or pre-funding to its satisfaction from such relevant Representative).

(c) The Security Trustee shall not be liable to any Representative, any Beneficiary, the Chargors or any other person for any action it may take in accordance with any such instructions in respect of the exercise of any right or power hereby conferred or in respect of any matter not expressly provided for in this Deed. The Security Trustee shall be entitled to seek clarification from the relevant Representative with regard to any such instructions and may in its discretion elect not to act pending receipt of such

clarification and/or an indemnity and/or security and/or pre-funding to its satisfaction from such relevant Representative.

9.2 Discretions and duties

In addition to other discretions and duties provided in this Deed, the Security Trustee shall:

- (a) as soon as reasonably practicable, send to the Representatives of all Beneficiaries or, at the Security Trustee's discretion, the Representatives of each Beneficiary or group of Beneficiaries for whom the Property in question forms part of any Apportioned Part, details of each communication received by it from a Chargor under this Deed or any of the Security Documents or the Ancillary Documents in relation to that Property provided that the Security Trustee shall not be obliged to report more frequently than quarterly in relation to changes to the Security Register and matters required to be recorded on the Security Register;
- (b) as soon as reasonably practicable, promptly inform the Representative of each Beneficiary or group of Beneficiaries of any matter of which it (in its capacity as Security Trustee) or any of its agents (acting in that capacity) becomes aware which affects the Apportioned Part in respect of that Beneficiary or group of Beneficiaries (including without limitation any disposal or Security Interest affecting or attaching to that Apportioned Part by operation of law and/or notified by the Land Registry); and
- (c) save as otherwise expressly provided in this Deed or any of the Security Documents or the Ancillary Documents, in granting any consent or waiver or exercising any right, power, trust, authority or discretion hereby vested in it, act as it, in its absolute discretion, shall think fit, in which case it shall be in no way responsible for any loss, costs, damages or expenses which may result from the exercise or non-exercise thereof (save in the case of its own gross negligence, wilful default or fraud).

9.3 Protections

By way of supplement to the Trustee Acts, it is expressly declared as follows:

- (a) that the provisions of section 1 of the Trustee Act 2000 shall not apply to the Security Trustee or any of the provisions of this Deed;
- (b) the Security Trustee may in relation to any of the provisions of this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed, any other Security Document or any Ancillary Document, obtain, pay for and act on the opinion or advice of or any information obtained from any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert whether obtained by any Chargor, any Beneficiary, any Representative or the Security Trustee or otherwise and shall not be responsible for any loss occasioned by so acting (notwithstanding that such opinion, advice or information may contain a cap or other limitation (monetary or otherwise) on the liability of any person), provided that the Security Trustee has exercised reasonable care and acted in good faith in the selection of such person;
- (c) any opinion, advice or information obtained pursuant to Clause 9.3(b) may be sent or obtained by letter, email, fax, telephone or other means and the Security Trustee shall not be liable for acting on any opinion, advice or information purporting to be so conveyed or any other document purporting to be conveyed from any Beneficiary, any Representative or any Chargor notwithstanding if, in any such case, the same may contain some error or may not be authentic;

- (d) the Security Trustee may call for and shall be at liberty to accept as sufficient evidence a certificate signed by any one Authorised Signatory to the effect that any particular dealing, transaction, step or thing is in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Security Trustee may require to be satisfied. The Security Trustee shall be in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate even if the same contains an error or is not authentic;
- (e) the Security Trustee may refrain from doing anything which would or might reasonably be expected to in its opinion be contrary to any law of any jurisdiction or any directive of any agency of any state or which would or might reasonably be expected to in its opinion otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with any such law or directive;
- (f) the Security Trustee shall not be liable for any failure, omission, or defect in perfecting the security constituted by any of the Security Documents including without prejudice to the generality of the foregoing:
 - (i) failure to obtain any licence, consent or other authority for the execution of any Security Document;
 - (ii) failure to register the same; or
 - (iii) failure to obtain any documents which, under the terms of any Security Document or Ancillary Document, should have been deposited with it;
- (g) the Security Trustee shall accept without enquiry, requisition, objection or investigation such title as the relevant Chargor may have to the Security Assets or any part thereof;
- (h) the Security Trustee shall be at liberty to place any Security Document and any other instrument, document or deed delivered to it pursuant to or in connection with any Security Document for the time being in its possession in any safe deposit, safe or receptacle selected by it without being bound to enquire as to the existence or adequacy of any insurances with any bank or building society within the United Kingdom, any company whose business includes the safe custody of documents or any reputable firm of lawyers, or, in respect of any insurance policies, to place the policy documents with any insurance broker of good repute, and shall not be responsible for any loss thereby incurred and, without prejudice to the foregoing, the relevant Chargor's lawyers may retain any such instruments, documents or deeds delivered to the Security Trustee pursuant to or in connection with the Security Documents provided that such lawyers undertake to hold such instruments, deeds or documents to the order of the Security Trustee;
- (i) save as otherwise provided in this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed or any other Security Document, all monies which under the trusts herein contained are received by the Security Trustee may be invested in the name of or under the control of the Security Trustee in any investment for the time being authorised by English law for the investment by trustees of trust monies or in any other investments, whether similar to the aforesaid or not, which may be selected by the Security Trustee or by placing the same on deposit in the name of or under the control of the Security Trustee at such bank or institution (including the Security Trustee) as the Security Trustee may think fit, and the Security Trustee may at any time vary or transfer any such investments for or into other such investments and shall not be responsible for any loss occasioned thereby whether by depreciation in value or

otherwise save in respect of any gross negligence or wilful default by the Security Trustee. For the avoidance of doubt, the Security Trustee may not invest such monies in any currency other than sterling and may not convert any such monies deposited in any such investments into any other currency;

- (j) the Security Trustee may in the conduct of the trusts hereof instead of acting personally employ and pay an agent (on such terms and subject to such conditions, including the power to sub-delegate, as the Security Trustee may specify) whether being a solicitor or other appropriately qualified person to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Trustee including the receipt and payment of money and any agent being a solicitor, broker or other person engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner of his in connection with the trusts hereof. The Security Trustee shall not be responsible for the acts or omissions of any such person provided that the Security Trustee has exercised reasonable care and acted in good faith in the selection of such person;
- (k) the Security Trustee shall have only those duties, obligations and responsibilities expressly specified in this Deed and shall not have any implied duties, obligations and responsibilities;
- (l) the Security Trustee shall not be under any obligation to insure any of the Trust Property or any deeds or documents of title or other evidence in respect thereof and shall not be responsible for any loss, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance;
- (m) no provision of this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed or any Relevant Document or any document referred to therein shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity and/or security and/or pre-funding against such risk or liability is not assured to it;
- (n) the Security Trustee shall not be responsible for the legality, validity, effectiveness, suitability, adequacy or enforceability of any Relevant Document or other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court, nor shall it be responsible for the adequacy, accuracy and/or completeness of any information whatsoever supplied to any person in connection with the Trust Property or any Relevant Document;
- (o) neither the Security Trustee nor any of its directors or officers shall by reason of the fiduciary position of the Security Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with any Chargor or any person or body corporate directly or indirectly associated with any of them, or from accepting the trusteeship of any debenture stock, debentures or security of any Chargor or any person or body corporate directly or indirectly associated with any of them and neither the Security Trustee nor any such director or officer shall be

accountable to any Beneficiary or any Representative for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Security Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit;

- (p) except as herein expressly provided, the Security Trustee is hereby authorised and it shall be entitled to assume without enquiry (in the absence of actual knowledge by or an express notice to it to the contrary) that no Enforcement Event or Potential Enforcement Event has occurred and each Chargor is duly performing and observing all the covenants, conditions, provisions and obligations contained in any Security Document and/or in respect of the Secured Obligations and on its part to be performed and observed. In particular the Security Trustee is under no duty to enquire as to any disposition or dealing affecting a Property (including any arising by operation of law);
- (q) each Beneficiary or group of Beneficiaries will be solely responsible for assessing the value of and income deriving from its Apportioned Part and the Security Trustee will have no responsibility in respect thereof;
- (r) unless otherwise specifically stated in any discharge of this Deed, the provisions of this Clause 9 shall continue in full force and effect notwithstanding such discharge;
- (s) where under any Security Document any action, approval, consent or authorisation requires the consent of any party, the Security Trustee will not undertake that action or grant that approval, consent or authorisation without obtaining that consent;
- (t) the Security Trustee shall, when acting as Security Trustee, be regarded as acting through its security trust division which shall be treated as a separate entity from any other of its divisions or departments, such that if information is received by another division or department of the Security Trustee, it may be treated as confidential to that division or department and the Security Trustee shall not be deemed to have notice of it; and
- (u) the Security Trustee shall not be responsible for:
 - (i) the financial condition of any Chargor;
 - (ii) the performance and observance by any Chargor of its obligations under any Relevant Document; or
 - (iii) the collectability of amounts payable under any Relevant Document.

9.4 Indemnities

- (a) Without prejudice to the Chargors' obligations to indemnify the Security Trustee under this Deed, each of the Beneficiaries (other than the Security Trustee and the Direct Bond Beneficiaries), subject to the provisions of Clauses 9.4(c) and 9.4(d), hereby undertakes severally to indemnify and hold harmless the Security Trustee against:
 - (i) all remuneration, costs, charges, losses, claims, damages, liabilities, expenses and other sums (or actions in respect thereof) including VAT thereon suffered or properly incurred by the Security Trustee (acting reasonably at all times prior to the occurrence of an Enforcement Event) or any person appointed by the Security Trustee to whom any right, power, trust, authority or discretion may be delegated by it pursuant hereto, in connection with this Deed, the Security

Documents and the Ancillary Documents and the rights, powers, trusts, authorities and discretion and duties contemplated therein or actions in respect thereof; and

- (ii) all remuneration, costs, charges, expenses and other sums (or actions in respect thereof) including VAT thereon suffered or properly incurred by the Security Trustee (acting reasonably at all times prior to the occurrence of an Enforcement Event) or such person as a result of complying with the provisions hereof or as a result of any Funding Beneficiary challenging the right of the Security Trustee so to comply,

to the extent that (other than in respect of any indemnity to be given by any Funding Beneficiary in order to satisfy the indemnification provisions of Clause 6.2 (*Default procedure*), Clause 9.1, Clause 9.3(m) and Clause 14.5 (*Benefit of agreement and resignation of the Security Trustee*)) a Chargor has failed to comply with its obligations to indemnify and/or secure and/or pre-fund the Security Trustee as aforesaid (other than as a result of the gross negligence, wilful default or fraud of the Security Trustee). Each amount referred to in this Clause 9.4(a) is an **Indemnified Amount**.

- (b) In respect of any Direct Bond Beneficiaries and their Representatives, the Security Trustee is not obliged to act in connection with this Deed, the Security Documents and any Relevant Document unless it is indemnified and/or secured and/or pre-funded to its satisfaction.
- (c) To the extent the Security Trustee determines that any Indemnified Amount has been incurred in relation to any Apportioned Part or the Relevant Liabilities of any Beneficiary, that Relevant Beneficiary alone shall be responsible for the indemnity in relation to that Indemnified Amount under Clause 9.4(a).
- (d) To the extent that the Security Trustee determines that any Indemnified Amount does not fall within Clause 9.4(c) then each Beneficiary (other than the Security Trustee) shall be responsible for an indemnity for such part of the Indemnified Amount as shall represent its Relevant Proportion.
- (e) Each Representative shall provide the Security Trustee, on request, with accurate and up-to-date information as to the amount of the Commitment of the Beneficiary for which it is the Representative to enable the Security Trustee to calculate the amount of a Beneficiary's Relevant Proportion where it is relevant for the Security Trustee to do so for the purposes of calculating any fees or indemnities contained in this Deed, and the Security Trustee shall be entitled to rely on any such information and shall have no duty to enquire as to the accuracy thereof.
- (f) The Security Trustee confirms that:
 - (i) it will act on the instructions of the Representative of any Beneficiaries, in relation to their Apportioned Part secured pursuant to a specific Security Document, whether or not it has an indemnity from any other Beneficiaries which are relying on another Apportioned Part which may also be secured by the same Security Document; and
 - (ii) it will not refrain from acting on the instructions of the Representative of any Beneficiaries (other than the Direct Bond Beneficiaries) which provide the indemnity in Clause 9.4(a) in relation to their Apportioned Part, merely because

it does not have an indemnity undertaking from any group of Direct Bond Beneficiaries.

9.5 Officers and agents

No Beneficiary may take proceedings against any officer, employee or agent of the Security Trustee in respect of any claim it might have against the Security Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Security Document or Ancillary Document (save in the case of fraud by that officer, employee or agent) and any officer, employee or agent of the Security Trustee may rely on this Clause 9.5.

9.6 No independent enforcement

The Beneficiaries shall not have an independent power to enforce any Security Document or any Ancillary Document or to exercise any rights, discretions or powers or to grant any consents or releases under or pursuant to any Security Document or any Ancillary Document or otherwise have direct recourse to the security constituted by any Security Document except through the Security Trustee or with the Security Trustee's prior written consent.

9.7 Assistance

Each of the Funding Beneficiaries (other than the Security Trustee) and (in the case of the Direct Bond Beneficiaries) each Representative hereby covenants and undertakes to the Security Trustee, as follows:

- (a) it will send to the Security Trustee, on request, a list of its duly authorised officers together with specimen signatures of such persons; and
- (b) it will, so far as permitted by applicable law and regulatory requirements, provide the Security Trustee with all such information (including details of the Relevant Liabilities outstanding to it) as the Security Trustee may reasonably require for the purposes of the discharge of the rights, duties, powers, trusts, authorities and discretions vested in the Security Trustee by this Deed, any Relevant Document or by operation of law.

10 Remuneration of the Security Trustee

10.1 The Chargors shall (subject as hereinafter provided) pay to the Security Trustee in every year until the trusts hereof shall be finally wound up a fee calculated at such rate as may be agreed from time to time between the Chargors and the Security Trustee and such fee shall be payable on such date or dates in each year as may from time to time be agreed between the Chargors and the Security Trustee.

10.2 If the Security Trustee enforces (in accordance with the terms of this Deed or any Security Document) or is required to enforce any of the Security Documents or in the event that the Security Trustee considers it necessary or it is being required to undertake duties which the Security Trustee and the Chargors agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed, the Chargors shall pay to the Security Trustee such additional remuneration as may be agreed between them. In the event of the Security Trustee and the Chargors failing to agree upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Deed, or failing to agree upon such additional remuneration, such matters shall be determined by an investment bank or person (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Chargors or, failing such approval, nominated (on the application of the Security Trustee) by the President for the time

being of The Law Society of England and Wales. The decision of any such investment bank or person shall be final and binding on the Chargors and the Security Trustee and the expenses involved in such nomination and the fees of such investment bank or person shall be paid by the Chargors.

10.3 In addition to remuneration hereunder the Chargors shall, on written request, pay all fees, costs, charges and expenses including travelling expenses which the Security Trustee may properly incur in relation to:

- (a) the preparation and execution of this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed, each other Security Document and each Ancillary Document;
- (b) responding to, evaluating, negotiating or complying with any request for an amendment, waiver or consent under this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed, any other Security Document or any Ancillary Document; and
- (c) the exercise of powers, enforcement or preservation of rights or the performance of its duties and in any other manner (including in connection with proceedings initiated by or against the Security Trustee as a consequence of it taking or holding the Trust Property or enforcing its rights in relating thereto) in relation to or under this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed, any other Security Document or any Ancillary Document.

10.4 Without prejudice to any indemnity contained in any Security Document, the Chargors shall indemnify the Security Trustee:

- (a) in respect of all liabilities and expenses incurred by it or by any person (including, without limitation, any receiver, attorney or agent) appointed by it to whom any right, trust, power, authority or discretion may be delegated by it in the execution or purported execution of the rights, trusts, powers, authorities or discretions vested in it by this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed, any other Security Document or under any Ancillary Document; and
- (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way in relation to this Deed, any Beneficiary Accession Deed, any Chargor Accession Deed, any other Security Document or under any Ancillary Document,

save where the same has arisen from the Security Trustee's gross negligence, wilful default or fraud.

10.5 All sums payable under Clauses 10.3 and 10.4 shall be payable within 30 days of written demand therefor. All sums payable by the Chargors under this Clause shall carry interest at a rate equal to 2% per annum over the base lending rate of HSBC Bank plc from time to time from the earlier to occur of:

- (a) the date falling 30 days after such written demand;
- (b) the date specified in such written demand on which payment will be made by the Security Trustee; or
- (c) the date of such written demand if the Security Trustee specifies in the written demand that payment has already been made by the Security Trustee.

- 10.6 All payments made by the Chargors under the Security Documents are calculated without regard to VAT. If any payment constitutes the whole or any part of the consideration for a taxable or deemed taxable supply by the Security Trustee, the amount of that payment shall be increased by the Chargors by an amount equal to the amount of VAT which is chargeable in respect of the taxable supply in question.
- 10.7 Where in any Security Document the Chargors have an obligation to indemnify or reimburse the Security Trustee in respect of any loss or payment, the calculation of the amount payable by way of indemnity or reimbursement shall take account of the likely Tax treatment in the hands of the Security Trustee of the amount payable by way of indemnity or reimbursement and of the loss or payment in respect of which that amount is payable.

11 Appointment of additional trustees

- 11.1 With the prior written consent of the Representative of each Beneficiary to the extent reasonably practicable in the circumstances prevailing at the relevant time (such consent shall not be unreasonably withheld or delayed), the Security Trustee may at any time appoint any person (whether or not a trust corporation) to act either as a separate trustee or as a co-trustee jointly with it:
- (a) if it considers such appointment to be in the interests of the Beneficiaries; or
 - (b) for the purposes of conforming to any legal requirements, restrictions or conditions which the Security Trustee deems relevant for the purposes hereof, and the Security Trustee shall give notice to the Chargors of any such appointment.
- 11.2 Any person so appointed shall have such rights, powers, authorities and discretions and such duties and obligations as shall be conferred or, imposed on such person by the instrument of appointment and shall have the same benefits under Clauses 9 (*Activities of the Security Trustee*) and 10 (*Remuneration of the Security Trustee*) as the Security Trustee.
- 11.3 The Security Trustee shall have power to remove any person so appointed.
- 11.4 The Security Trustee may pay to any person so appointed any properly incurred remuneration, and any such remuneration, costs, charges and expenses incurred by such person in performing its functions pursuant to such appointment shall, for the purposes hereof, be treated as costs, charges and expenses incurred by the Security Trustee in performing its function as trustee hereunder.

12 Nature of the Chargors' rights and obligations

Each Chargor is party to this Deed for the purpose of acknowledging the provisions hereof and the priorities herein recorded and the obligations owed by it to the Security Trustee and undertakes with each Beneficiary, each Representative and the Security Trustee to observe the provisions of this Deed at all times and not in any way to do or knowingly suffer anything within its control to be done which would be a breach of the terms of its obligations under this Deed.

13 Accession and retirement of Chargors

13.1 Acceding Chargors

- (a) If any person wishes to become a Chargor for the purposes of this Deed, that person shall notify the Security Trustee to that effect.

- (b) Any person may accede to this Deed as a Chargor, so as to be bound by the terms and conditions of this Deed, provided that the proposed Chargor is:
 - (i) a member of the Group;
 - (ii) a Registered Provider; and
 - (iii) unless otherwise agreed by the relevant Representative in respect of which its Property shall form any Apportioned Part, a charity within the meaning ascribed to it in the Charities Act 2011 which, for the avoidance of doubt, shall include an exempt charity.
- (c) On the relevant accession date, the proposed Acceding Chargor shall deliver or procure the delivery to the Security Trustee, to the satisfaction of the Security Trustee, of:
 - (i) a Chargor Accession Deed duly completed and executed by the proposed Acceding Chargor; and
 - (ii) a notice incorporating:
 - (A) details of the Properties which the proposed Acceding Chargor wishes to become Residual Property; and
 - (B) in the case of any Properties which the proposed Acceding Chargor wishes to form any Specific Apportioned Part details of the basis upon which they are to be allocated, and the identity of the relevant Beneficiary/ies.
- (d) Upon fulfilment of the requirements set out in Clause 13.1(b) to the satisfaction of the Beneficiaries (or, in the case of the Direct Bond Beneficiaries, their Representative):
 - (i) the Security Trustee shall promptly execute the relevant Chargor Accession Deed;
 - (ii) the relevant Chargor Accession Deed shall become of full force and effect; and
 - (iii) the Acceding Chargor shall promptly deliver a copy of the relevant Chargor Accession Deed to each existing Chargor and each Beneficiary (or, in the case of the Direct Bond Beneficiaries, their Representative).

13.2 Retiring Chargors

If a Chargor ceases to be under any obligation to pay or secure any Secured Obligation(s) to the Security Trustee and the Beneficiaries, each Beneficiary shall notify the Security Trustee to that effect (who in turn shall promptly notify each of the Chargors) and such Chargor shall thereafter cease to be a Chargor under this Deed. For the avoidance of doubt, no Chargor shall cease to be a Chargor under this Deed until the Security Trustee has received notification from all Beneficiaries that the relevant Chargor is no longer under any obligation to pay or secure any Secured Obligation(s).

14 Benefit of agreement and resignation of the Security Trustee

- 14.1 This Deed shall be binding on and enure for the benefit of each party hereto and its successors in title (whether immediate or derivative) and to any transferees or assigns (whether immediate

or derivative) of any Beneficiary or Representative in accordance with the terms of any Relevant Document.

14.2 The Security Trustee may retire at any time on giving not less than three months' prior written notice to each Representative of the Beneficiaries and the Chargors without assigning any reason and without being responsible for any costs occasioned by such retirement.

14.3

(a) After consultation with the Chargors, the Representatives of all Beneficiaries shall have the power by notice in writing signed by the Representatives of Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities to remove the Security Trustee and appoint a replacement.

(b) With the prior written consent of the Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities, the Chargors shall have the power by notice in writing to the Security Trustee and to each Representative to remove the Security Trustee and appoint a replacement which has been approved in writing by the Representatives of all Beneficiaries.

14.4 Each Representative of the Beneficiaries shall have the power by notice in writing signed by the Representatives of Beneficiaries representing in excess of 66.66% in nominal or principal amount of all outstanding Relevant Liabilities to remove the Security Trustee and appoint a replacement. The retirement or removal of the Security Trustee shall not become effective until a successor trustee is appointed and shall have become bound by the provisions of these presents whereupon the Security Trustee retiring or being removed shall thereby forthwith be discharged from such provisions. Upon the replacement Security Trustee agreeing in writing that it shall assume the duties and obligations assumed by the Security Trustee in this Deed it shall have all the rights, trusts, powers, authorities, discretions, duties and obligations of and vested in the Security Trustee under this Deed.

14.5 Any costs properly incurred by the Security Trustee in connection with its removal (and the consequent appointment of a successor Security Trustee) will be for the account of the Chargors, unless such removal and appointment have been instigated by the Funding Beneficiaries or their Representatives, in which event the Funding Beneficiaries will bear (and will indemnify the Chargors and the outgoing and new Security Trustee against) all such reasonable (or in the case of the outgoing Security Trustee, properly incurred) costs and expenses relating to the removal of the Security Trustee and appointment of a successor, to be apportioned among the Funding Beneficiaries in accordance with the Relevant Proportion.

15 Notices

15.1 All notices or other communications under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by letter, fax or electronic communication.

15.2 Any communication or document (unless made by fax) to be made or delivered by one party to another pursuant to this Deed shall (unless that other party has by 10 Business Days written notice to the Security Trustee specified another address) be made or delivered to that other party at the address identified with its signature below (or in any Accession Deed) and shall be deemed to have been made or delivered when despatched and (in the case of any communication made by letter) when left at that address or (as the case may be) 2 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same

is expressly marked for the attention of the department and officer as the Security Trustee shall from time to time specify for this purpose.

15.3 Any fax communication made by one party to another shall be made to that other party at the relevant fax number specified by it from time to time for the purpose and shall be deemed to have been received when transmission of such fax communication has been completed. Each such fax communication, if made to the Security Trustee by the Chargors, shall be signed by the party or parties authorised by the Chargors in the certificate delivered to the Security Trustee in connection with this Deed and shall be expressed to be for the attention of the department and officer as the Security Trustee shall from time to time specify for this purpose.

15.4 A notice or communication given in accordance with the above but received on a non-Business Day or after business hours in the place of receipt will only be deemed to be given on the next Business Day in that place.

15.5

(a) Any communication to be made between any two Parties under or in connection with this Deed may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than 5 Business Days' notice.

(b) Any such electronic communication as specified in Clause 15.5(a) which is to be made between the Chargors and any Beneficiary or Representative may only be made in that way to the extent that those two Parties agree (unless and until notified to the contrary) that this is to be an accepted form of communication.

(c) Any such electronic communication as specified in Clause 15.5(a) made between any two Parties will be effective only when actually received (or made available) in readable form, and in the case of any electronic communication made by a Party to the Security Trustee only if it is addressed in such a manner as the Security Trustee shall specify for this purpose.

(d) Any electronic communication which becomes effective in accordance with Clause 15.5(c) after 5.00 pm in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Deed shall be deemed only to become effective on the next Business Day in that place.

(e) Any reference in this Deed to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 15.5.

16 Winding up of the trust

If the Security Trustee receives confirmation in writing that all of the obligations under each of the Relevant Documents have been fully, finally and unconditionally discharged and released, the trusts herein created shall be wound up.

17 Set off and counterclaim

All payments under this Deed shall be made without set-off or counterclaim.

18 Severance

If any provision of any Security Document is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of the Security Documents; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of the Security Documents.

19 Waivers; remedies cumulative

The rights of the Beneficiaries under the Security Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

20 Counterparts

This Deed may be executed in counterparts, all of which when taken together shall constitute a single deed.

21 Governing law and service of process

- 21.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.
- 21.2 Any letter or other communication notifying a claim or serving legal proceedings under or in connection with this Deed must be made pursuant to Clause 15 (*Notices*), but may not be made by way of fax.
- 21.3 The Civil Procedure Rules for service and deemed service will not apply to any letter or other communication notifying a claim or serving legal proceedings under or in connection with this Deed.

In witness whereof this Deed was executed by the parties hereto as a deed but not delivered until the date first above written.

Schedule 1

Forms of Accession Deed

Part 1 - Funding Beneficiary Accession Deed

This Funding Beneficiary Accession Deed dated [●] is supplemental to a security trust deed dated 7 April 2020 made between, amongst others, Prudential Trustee Company Limited as Security Trustee and Optivo as Initial Chargor (as the same may from time to time be amended, novated, replaced, restated, supplemented or varied, the **Security Trust Deed**).

Unless otherwise defined herein, words and expressions defined in the Security Trust Deed have the same meaning when used in this Deed.

- 1 [[*Name of the Additional Beneficiary*] (the **Additional Beneficiary**), [as Lender (as defined in a facility agreement dated [●] made between the [*Chargor*] and [*name of the Additional Beneficiary*] as lender) (the **Facility Agreement**))] or [as Noteholder (as defined in a note instrument dated [●] made between the [*Chargor*] and [*name of Additional Beneficiary*] as noteholder (the **Note Instrument**))], hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the provisions of Clauses 2.3 (*Relevant Liabilities*), [Clauses 2.7 (*Relevant Liabilities*)], 2.4 (*Relevant Liabilities*) and 2.5 (*Relevant Liabilities*) of the Security Trust Deed have been complied with in respect of this Deed, [*name of the Additional Beneficiary*] will become a party to and be bound by and benefit from the Security Trust Deed and this Deed as the Additional Beneficiary in respect of the Relevant Liabilities owed to it from time to time pursuant to the Relevant Documents below.

The Representative for the above Additional Beneficiary shall be [*name of the Additional Beneficiary*].¹ or

[[*Name of the Representative*] (the **Representative**), [in its capacity as [Facility Agent] for and on behalf of each of the [Finance Parties] (as defined in a facility agreement dated [●] made between, amongst others, the [*Chargor*] and [●] in its capacities as [Arranger, Original Lender and Facility Agent] (the **Facility Agreement**)) (each of the [Finance Parties] being an **Additional Beneficiary** and, together, the **Additional Beneficiaries**)] or [in its capacity as Representative for and on behalf of each of the Noteholders (as defined in the note instrument dated [●] made between, amongst others, the [*Chargor*] and [●] in its capacities as Noteholder and Representative (the **Note Instrument**)) (each of the Noteholders being an **Additional Beneficiary** and, together, the **Additional Beneficiaries**)], hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the provisions of [Clauses 2.3 (*Relevant Liabilities*)] [Clauses 2.7 (*Relevant Liabilities*)], 2.4 (*Relevant Liabilities*) and 2.5 (*Relevant Liabilities*) of the Security Trust Deed have been complied with in respect of this Deed, [*name of the Representative*] (in its capacity as [[Facility Agent] pursuant to the Facility Agreement] or [Representative pursuant to the Note Instrument]) will become a party to and be bound by and benefit from the Security Trust Deed and this Deed as the Representative of the above Additional Beneficiaries in respect of the Relevant Liabilities owed from time to time pursuant to the Relevant Documents below.]

- 2 The address and fax number for notices to [[*name of the Additional Beneficiary*] (as the above Additional Beneficiary and Representative)] or [[*name of the Representative*] (as the

¹ Note – to be used where the Additional Beneficiary joins on its own (e.g. under a bilateral arrangement rather than one where there is an agent which acts as its Representative). Such Additional Beneficiary must also have a Representative for the purposes of the Security Trust Deed (which may be itself).

Representative of the above Additional Beneficiaries)] for the purposes of Clause 15 (*Notices*) of the Security Trust Deed is:

Address: [●]

Fax number: [●]

or any substitute address or fax number as may be notified to the Security Trustee from time to time pursuant to Clause 15 (*Notices*) of the Security Trust Deed.

- 3 For the purposes of Clause 1.4 of the Security Trust Deed, the first Accession Date [shall be the date of this Deed] or [occurred on [●]].
- 4 The Relevant Documents in relation to the Relevant Liabilities owed to the above Additional Beneficiar[y][ies] are [the Finance Documents (as defined in the Facility Agreement)].
- 5 The Additional Beneficiar[y][ies] will be [a] [NAB Beneficiar[y][ies]][Specific Beneficiar[y][ies]] under the Security Trust Deed.
- 6 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.
- 7 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Deed has been executed by the parties hereto as a deed but not delivered until the date first above written.

EXECUTION PAGE OF THE FUNDING BENEFICIARY ACCESSION DEED

Initial Chargor

The common seal of)
OPTIVO)
was affixed to this Deed in the presence of)

.....
Authorised Signatory

.....
Authorised Signatory

*[to conform with relevant Board resolution of the
Initial Chargor]*

[Additional Beneficiary]

[The common seal of)
[Additional Beneficiary])
was affixed to this Deed in the presence of])

.....
Authorised Signatory

.....
Authorised Signatory

[OR]

Representative of the above Additional Beneficiaries

[The common seal of)
[Representative])
was affixed to this Deed in the presence of])

.....
Authorised Signatory

.....
Authorised Signatory

Security Trustee

Executed as a deed by affixing the common)
seal of)
PRUDENTIAL TRUSTEE COMPANY)
LIMITED)
in the presence of)

.....
Sealing Officer

Add execution blocks for all current Chargors

Part 2 - Direct Bond Beneficiary Accession Deed

This Direct Bond Beneficiary Accession Deed dated [●] is supplemental to a security trust deed dated 7 April 2020 made between, amongst others, Prudential Trustee Company Limited as Security Trustee and Optivo as Initial Chargor (as the same may from time to time be amended, novated, replaced, restated, supplemented or varied, the **Security Trust Deed**).

Unless otherwise defined herein, words and expressions defined in the Security Trust Deed have the same meaning when used in this Deed.

1 [[*Name of the Bond Trustee*] (the **Representative**) of [*address*] hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the Security Trustee confirms to it that the provisions of Clauses 2.3 (*Relevant Liabilities*), 2.4 (*Relevant Liabilities*) and 2.5 (*Relevant Liabilities*) of the Security Trust Deed have been complied with it will become a party to and be bound by and benefit from the Security Trust Deed and this Deed as Representative for the Direct Bond Beneficiaries in respect of the Relevant Liabilities owed to the Direct Bond Beneficiaries from time to time pursuant to the Relevant Documents below.

2 The Direct Bond Beneficiaries for whom the Representative is acting are as follows:

[This should conform to the definition of Secured Parties in the bond documentation],

each as defined in the [Bond Trust Deed dated [●] between the [*Chargor*] and the Representative] (the **Bond Trust Deed**). Such Beneficiaries shall be referred to as the [*maturity of Bonds*] Direct Bond Beneficiaries for the purpose of the Deed and any document relating thereto.

3 The address and fax number for notices to the Representative for the purposes of Clause 15 (*Notices*) of the Security Trust Deed is:

Address: [●]

Fax number: [●]

or any substitute address or fax number as may be notified to the Security Trustee from time to time pursuant to Clause 15 (*Notices*) of the Security Trust Deed.

4 For the purposes of Clause 1.4 of the Security Trust Deed, the first Accession Date [shall be the date of this Deed] or [occurred on [●]].

5 The Relevant Documents in respect of the Direct Bond Beneficiaries are:

[This should conform to the definition of [Transaction] Documents in the bond documentation.]

6 The Direct Bond Beneficiaries will be [NAB Beneficiaries][Specific Beneficiaries] under the Security Trust Deed.

7 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

8 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Deed has been executed by the parties hereto as a deed but not delivered until the date first above written.

EXECUTION PAGE OF THE DIRECT BOND BENEFICIARY ACCESSION DEED

Initial Chargor

The common seal of)
OPTIVO)
was affixed to this Deed in the presence of)

.....
Authorised Signatory

.....
Authorised Signatory

*[to conform with relevant Board resolution of the
Initial Chargor]*

Representative

The common seal of)
[Representative])
was affixed to this Deed in the presence of])

.....
Authorised Signatory

.....
Authorised Signatory

Security Trustee

Executed as a deed by affixing the common)
seal of)
PRUDENTIAL TRUSTEE COMPANY)
LIMITED)
in the presence of)

.....
Sealing Officer

Add execution blocks for all current Chargors

Part 3 – Chargor Accession Deed

This Chargor Accession Deed dated [●] is supplemental to a security trust deed dated 7 April 2020 made between, amongst others, Prudential Trustee Company Limited as Security Trustee and Optivo as Initial Chargor (as the same may from time to time be amended, novated, replaced, restated, supplemented or varied, the **Security Trust Deed**).

Unless otherwise defined herein, words and expressions defined in the Security Trust Deed have the same meaning when used in this Deed.

1 [●] (the **New Chargor**) of [●] hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that with effect from the date on which the provisions of Clause 13.1 (*Acceding Chargors*) of the Security Trust Deed have been complied with, the New Chargor will become a party to and be bound by and benefit from the Security Trust Deed as a Chargor.

2 The address and fax number for notices to the New Chargor for the purposes of Clause 15 (*Notices*) of the Security Trust Deed is:

Address: [●]

Fax number: [●]

or any substitute address or fax number as may be notified to the Security Trustee from time to time pursuant to Clause 15 (*Notices*) of the Security Trust Deed.

3 This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

4 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

In witness whereof this Deed has been executed by the parties hereto as a deed on the day and year first above written.

EXECUTION PAGE OF THE CHARGOR ACCESSION DEED

Initial Chargor

The common seal of)
OPTIVO)
was affixed to this Deed in the presence of)

.....
Authorised Signatory

.....
Authorised Signatory

*[to conform with relevant Board resolution of the
Initial Chargor]*

[Acceding Chargor]

[The common seal of)
[Acceding Chargor])
was affixed to this Deed in the presence of])

.....
Authorised Signatory

.....
Authorised Signatory

Security Trustee

Executed as a deed by affixing the common)
seal of)
PRUDENTIAL TRUSTEE COMPANY)
LIMITED)
in the presence of)

.....
Sealing Officer

Add execution blocks for all current Chargors

Schedule 2

Documents to be provided by the relevant Chargor under Clause 3.2 (*Conditions precedent*)

- 1 To the extent not already provided, a certified copy of a resolution of the Board (or of a duly constituted and authorised sub-committee thereof) of the relevant Chargor (such copy to be certified by an Authorised Signatory as correct, complete, up-to-date and in full force and effect):
 - (a) approving the terms of, and the entry into of, this Deed or, as applicable, the relevant Accession Deed and the relevant Legal Mortgage and resolving that it executes each such document;
 - (b) authorising a specified person or persons to execute each such document on its behalf if it is to be executed by a specified person or persons; and
 - (c) authorising its seal to be affixed to each such document if they are to be executed by the relevant Chargor under seal.

If the resolution delivered above is a resolution of a sub-committee of the Board of the relevant Chargor, a certified copy of a resolution of the Board of the relevant Chargor appointing that sub-committee and establishing its authority (such copy to be certified by an Authorised Signatory as correct, complete, up-to-date and in full force and effect).

- 2 A certificate of an Authorised Signatory:
 - (a) certifying that each copy document relating to the relevant Chargor specified in this Schedule 2, is correct, complete, up-to-date and in full force and effect; and
 - (b) confirming the lettings position and the rental levels in the relevant Valuation.
- 3 Evidence that the relevant Chargor is a registered charity or an exempt charity.
- 4 Where two of the trustees are to sign the Legal Mortgage on behalf of all of the trustees of a Chargor under an authority conferred pursuant to section 333 of the Charities Act 2011, a copy of a resolution of the trustees authorising such persons to execute the Legal Mortgage on behalf of the trustees (if applicable).
- 5 The original of the Legal Mortgage (in respect of the Property to be charged) executed by each party to it and a letter of undertaking from the solicitors to the relevant Chargor addressed to, and in a form reasonably acceptable to, the Security Trustee and the Relevant Beneficiary to register such Legal Mortgage at the Land Registry (including applications to enter on the Proprietorship Register at the Land Registry the restriction against dealings on Form RX1 and to enter on the Charges Register the obligation to make further advances on Form CH2), at either the Financial Conduct Authority or, as applicable, Companies House, and at any other appropriate registry and pay any related fees (including Land Registry fees) within the relevant priority periods.
- 6 Where relevant but not otherwise, a copy of the consent of the relevant Secretary of State under sections 32 to 34 and 43 of the Housing Act 1985 and section 25 of the Local Government Act 1988 to the disposal by any local authority of the Charged Properties to the relevant Chargor.
- 7 A Certificate of Title addressed to the Security Trustee and, if the Security Trustee requires, the Relevant Beneficiaries (and, in any event, in a form which may be relied on by any Beneficiaries

from time to time) from solicitors reasonably acceptable to the Security Trustee on the Property to be charged.

- 8 Where applicable, official priority Land Registry searches affording priority to the Security Trustee for a period of not less than 10 Business Days following the date upon which the relevant Legal Mortgage delivered pursuant to paragraph 5 above is entered into, against each Property or part thereof to be charged, the title to which is, in each case, registered or which is unregistered and in respect of which an application for first registration is to be lodged at the Land Registry with any appropriate transfers (Form TR5) (duly stamped).
- 9 To the extent not already provided, copies of policies, certificates or cover notes relating to each contract or policy of insurance taken out by or on behalf of the relevant Chargor or in which the relevant Chargor has an interest and which relate to the Property to be charged and evidence satisfactory to the Security Trustee that a note of the Security Trustee's interest as loss payee has been endorsed on each such contract or policy of insurance in accordance with the terms of the relevant Legal Mortgage (where applicable) or that the policy includes a provision for the automatic noting of mortgagees' interests.
- 10 Where applicable, a copy of the form of each Approved Tenancy Agreement (as defined in the relevant Legal Mortgage).
- 11 Where applicable, a certified copy of any relevant planning permission in respect of the Property to be charged.
- 12 At the option of the Security Trustee, either:
 - (a) a copy of the current energy performance certificate(s) in respect of each Property to be charged; or
 - (b) written confirmation from the relevant Chargor that a current energy performance certificate is in place in respect of each Property to be charged,or, in each case, evidence that an energy performance certificate is not required under any applicable law or regulation.
- 13 Such other documents, reports or opinions (including, without limitation, structural surveys and environmental reports) certificates, consents (including landlord's consents and floating charge holders' consents if applicable), certificates of non-crystallisation of all floating charges in favour of other creditors affecting the Property and assets to be charged, notices (including notices to landlords) or assurances as the Security Trustee or Relevant Beneficiary may reasonably request.

Schedule 3

Form of Apportionment Certificate

Date: [●]

To: [Representative] as Representative for [the [●] as a Beneficiary] or [and on behalf of [●] as [a] Funding Beneficiary][ies][the [●] Direct Bond Beneficiaries] (**Representative**)

From: [*Chargor*]

Security Trust Deed dated 7 April 2020 made between, amongst others, the Security Trustee and Optivo as Initial Chargor (as the same may from time to time be amended, novated, replaced, restated, supplemented or varied, the Security Trust Deed)

Words and expressions used in this certificate have the same meaning when used in the Funding Agreement, Direct Bond Documents or in the Security Trust Deed, as relevant.

This is the certificate referred to in Clause 3 (*The security*) of the Security Trust Deed.

In accordance with the Security Trust Deed, the following Charged Properties have been allocated to your Apportioned Part as at the date of this certificate.

[*List of Properties for SAB or number of Units for NAB*]

As at today's date:

The total number of Units comprising the Properties is [●].

The total number of Units allocated on a Specific Apportionment Basis is [●].

The total number of Units comprised in the Residual Properties is [●].

The total number of Units comprised in the NAB Properties is [●].

The total number of Units comprised in the Unallocated Properties is [●].

Signed by (certifying for the benefit of the Security Trustee that the above is correct):

[**Chargor**]
as Chargor

Agreed by:

[●]

[[●] as [agent][noteholder representative] for the [Funding Beneficiaries][Direct Bond Beneficiaries]][[●] as [lender][note purchaser pursuant to the [Funding Agreement].

Receipt acknowledged by:

Prudential Trustee Company Limited
as Security Trustee

Schedule 4

Form of Security Certificate

Date: [●]

To: [Representative] as Representative for [the [●] as a Beneficiary] or [and on behalf of [●] as [a] Funding Beneficiar[y][ies]][the [●] Direct Bond Beneficiaries] (the **Representative**)

Prudential Trustee Company Limited, in its capacity as Security Trustee pursuant to a security trust deed dated 7 April 2020 made between, amongst others, the Security Trustee and Optivo as Initial Chargor (as the same may from time to time be amended, novated, replaced, restated, supplemented or varied, the **Security Trust Deed**), hereby certifies the following:

- 1 [Chargor] (the **Chargor**) has executed [a] Legal Mortgage[s] in favour of the Security Trustee over the Property listed in the schedule to this Security Certificate and such Property has been designated in favour of [the Representative] as security for the Relevant Liabilities in relation to [●] (**Charged Property**).
- 2 Copies of the conditions precedent provided in respect of the Charged Property under Clause 3.2 (*Conditions precedent*) of the Security Trust Deed, are currently available for inspection at the offices of [*solicitors*/the Security Trustee] provided however that the Security Trustee owes no duty of care to the Representative or any Beneficiary in connection with the form or substance of such conditions precedent.
- 3 Where applicable, copies of correspondence between us and the Chargor relating to the Charged Property and information relating to the Charged Property received by us from the Chargor since execution of the relevant Legal Mortgage are currently available for inspection at [the offices of the Security Trustee] provided however that the Security Trustee will not be held liable for the form or content of such information.

By agreeing that the Charged Property has been designated in favour of [the Representative] such that the Proceeds thereof have been allocated for application in reduction of the Relevant Liabilities in relation to [●], the Representative is deemed to have confirmed that such conditions precedent are in a form and substance satisfactory to the Representative.

Terms defined in the Security Trust Deed bear the same meaning in this Security Certificate.

Yours faithfully

.....

Duly authorised signatory
for and on behalf of
Prudential Trustee Company Limited
as Security Trustee

The Schedule to the Security Certificate

The Charged Property

[•]

Schedule 5

Form of Legal Mortgage

Dated [●]

**[NAME OF CHARGOR]²
as Chargor**

**PRUDENTIAL TRUSTEE COMPANY LIMITED
as Security Trustee**

LEGAL MORTGAGE

(To: The Chief Land Registrar. Note: This Deed contains (in Clause 29 (*Provisions as to security*)) the consent of the Chargor to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a restriction in the Proprietorship Register and (in Clause 29 (*Provisions as to security*)) the consent of the Chargor to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee to enter a notice on the Charges Register.)

² Where the Chargor is an Acceding Chargor and a company limited by guarantee, the Legal Mortgage should also include a qualifying floating charge granted by the Chargor.

This Deed is dated [●]

Between

- (1) **[Chargor]** registered as a [charitable] [community benefit society under the Co-operative and Community Benefit Societies Act 2014][company limited by guarantee under the Companies Act 2006] with registered number [●] and as a Registered Provider with the Social Housing Regulator with registered number [●] whose registered office is at [●] as chargor (the **Chargor**); and
- (2) **Prudential Trustee Company Limited** as trustee of the security constituted under this Deed for itself and the Beneficiaries (as defined below) (the **Security Trustee**, which expression shall include each person or company and all other persons or companies acting as security trustee under this Deed).

Whereas

- (A) Under the terms of the Security Trust Deed (as defined below), the Chargor may grant security pursuant to this Deed to be held for and specifically designated to certain Beneficiaries.
- (B) It is intended by the parties hereto that this document shall take effect as a deed.

It is agreed

1 Interpretation

1.1 Definitions

In this Deed:

Approved Tenancy Agreement means the form of tenancy agreement from time to time permitted by the Relevant Beneficiary under its Relevant Documents or, if no requirements are specified in such Relevant Documents [(or the relevant Mortgaged Property is Residual Property)], in substantially the form of a standard tenancy agreement of the Chargor which complies with the provisions of the Regulatory Framework or any other guidance issued by the Social Housing Regulator and/or (where applicable) Homes England and/or (where applicable) the Greater London Authority under the Housing and Regeneration Act or, in respect of any tenancy agreement relating to an Apportioned Part which does not so comply, approved by the Relevant Beneficiary (acting reasonably);

Beneficiaries has the meaning given to it in the Security Trust Deed;

Business Day has the meaning given to it in the Security Trust Deed;

Certificate of Title means a certificate of title in a form acceptable to the Security Trustee and (where the relevant Property is to be included in any Specific Apportioned Part) the proposed Relevant Beneficiary or (where the relevant Property is to be included within the Residual Properties) the NAB Beneficiaries (in each case, or their Representatives);

Enforcement Event has the meaning given to it in the Security Trust Deed;

Fixtures means, in relation to any Mortgaged Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery, equipment, installations and apparatus from time to time thereon owned by the Chargor;

Greater London Authority means the Greater London Authority as constituted pursuant to Part I of the Greater London Authority Act 1999;

Homes England means the Homes and Communities Agency constituted pursuant to Part 1 of the Housing and Regeneration Act trading as Homes England and any successor for the time being or any similar future authority carrying on any of the same grant/investment making functions (which for the purposes of this definition does not include the functions of the Social Housing Regulator), and where the context so requires, reference to Homes England shall include reference to the Greater London Authority (as applicable);

Housing and Regeneration Act means the Housing and Regeneration Act 2008 (as amended by the Localism Act 2011 and the Housing and Planning Act 2016);

Insurances means all contracts and policies of insurance readily available in the market at a reasonable premium which would reasonably be expected to be taken out by a Registered Provider of similar size and operating in the same locality and which are from time to time taken out by or with the authority and on behalf of the Chargor or (to the extent of such interest) in which the Chargor has an interest, in each case in connection with the Mortgaged Property;

Letting Document means any past, present or future lease, tenancy or licence to occupy or any past, present or future agreement for any of the same from time to time granted or entered into by or binding on the Chargor in respect of the Mortgaged Property and any licence, consent or approval given thereunder;

Mortgaged Property means the real property hereby legally mortgaged or charged and any other freehold or, as the case may be, leasehold property charged by way of fixed charge under this Deed;

Notice of Assignment means a notice substantially in the form set out in Schedule 2 (*Notice of Assignment*);

Planning Acts means the Town and Country Planning Acts 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004, the Housing and Planning Act 2016 and any Act or Acts for the time being in force amending or re-enacting the same and any orders, regulations or permissions (which are legally binding on the Chargor or its assets) made, issued or granted under or by virtue of such Acts or any of them;

Potential Enforcement Event has the meaning given to it in the Security Trust Deed;

Premises means all buildings and erections for the time being comprised within the definition of Security Assets;

Receiver means any receiver, manager or administrative receiver appointed by the Security Trustee in respect of the Chargor or any of the Security Assets;

Registered Provider has the meaning given to it in the Housing and Regeneration Act;

Regulatory Framework has the meaning given to it in the Security Trust Deed;

Relevant Beneficiary has the meaning given to it in the Security Trust Deed;

Relevant Documents has the meaning given to it in the Security Trust Deed;

Reservations means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of the court;
- (b) the limitation on enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally;
- (c) the time barring of claims under the Limitations Acts;
- (d) the possibility that an undertaking to assume liability for, or to indemnify a person against, non-payment of UK stamp duty may be void; and
- (e) defences of set-off or counterclaim;

RPI means the General Index of Retail Prices in the United Kingdom (January 1987 = 100) (for all items) published by the Office for National Statistics (or any other Government department or other body upon which the duties in connection with such index have devolved) or in the event that such index ceases to be published, such other comparable substituted index as specified by the Security Trustee (in accordance with the instructions of the relevant Beneficiaries (acting reasonably));

Secured Obligations has the meaning given to such term in the Security Trust Deed;

Security Assets means all assets, rights and property of the Chargor mortgaged, charged or assigned by Clause 3 (*Fixed charges*) including, without limitation, the Mortgaged Property;

Security Interest means any mortgage, pledge, lien, charge (including, for the avoidance of doubt, a floating charge), security assignment, hypothecation or other security interest or encumbrance of any kind or any other agreement or arrangement having the effect of conferring security or any other type of preferential arrangement (including, without limitation title transfer and retention of title) having a similar effect;

Security Period means the period beginning on the date hereof and ending on the date upon which the Security Trustee receives confirmation in writing that all the Secured Obligations which have arisen or may arise have been unconditionally and irrevocably paid and discharged in full or the security hereby created has been unconditionally and irrevocably released and discharged;

Security Trust Deed means a deed dated 7 April 2020 and entered into by, amongst others, the Chargor and the Security Trustee (as the same may be amended, novated, replaced, restated, supplemented or varied from time to time);

Shared Ownership Lease means a shared ownership lease as defined in section 106 of the Housing Associations Act, where the terms of any such lease:

- (a) are imposed by statute;
- (b) comply with the requirements of Homes England, the Greater London Authority, the Regulatory Framework and/or any other guidance issued by the Social Housing Regulator (in each case, where applicable); or

- (c) have been approved by:
- (i) in respect of any Residual Property, all Representatives of each NAB Beneficiary;
 - (ii) otherwise, the Representative of the Relevant Beneficiary,

including, in particular, any mortgagee protection provisions proposed to be inserted in any such lease;

Shared Ownership Property means any Mortgaged Property occupied or to be occupied pursuant to a Shared Ownership Lease where the Chargor holds, or will hold upon disposal on shared ownership terms by the grant of the Shared Ownership Lease, less than 100% of the beneficial interest in that Mortgaged Property and the purchaser of the balance of that beneficial interest may have the right to acquire a further portion of the Chargor's retained beneficial interest;

Social Housing Regulator means the Regulator of Social Housing established by the Legislative Reform (Regulator of Social Housing) (England) Order 2018 and any successor or successors for the time being or in each case any similar future authority carrying on any of the same regulatory/supervisory functions as the regulator of social housing; and

Taxes includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees of any kind whatsoever, or any amount payable on account of or as security for any of the foregoing, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed, together with any penalties, additions, fines, surcharges or interest relating thereto, and **Tax** and **Taxation** shall be construed accordingly.

1.2 Construction

- (a) In this Deed, unless the contrary intention appears, a reference to:
- (i) **administration** shall be construed as a reference to any type of administration (including but not limited to housing administration) and **administrator** shall be construed accordingly;
- assets** includes present and future properties, revenues and rights of every description;
- an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing and registration;
- community benefit society** shall be construed as either (A) a pre-commencement society (as defined in the Co-operative and Community Benefit Societies Act 2014) formed for the benefit of the community and registered under the Industrial and Provident Societies Act 1965 prior to 1 August 2014 or, as the case may be, (B) a society registered as a community benefit society under the Co-operative and Community Benefit Societies Act 2014 on or after 1 August 2014;
- insolvency laws** includes any administration, liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws;

a **month** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month except that, if there is no numerically corresponding day in the month in the next calendar month, that period shall end on the last day in that calendar month; and

a **regulation** includes any regulation, rule, official directive, code of practice, request or guideline (whether or not having the force of law but if not having the force of law being of a kind that is customary for the relevant person (or persons of its status or type carrying on a similar business) to comply with) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (ii) a Clause or a Schedule is a reference to a clause of or a schedule to this Deed;
 - (iii) a law is a reference to that law as re-enacted, amended or replaced;
 - (iv) a Relevant Document or another document is a reference to that Relevant Document or other document as amended, novated, replaced, restated, supplemented or varied from time to time; and
 - (v) a Beneficiary shall include a reference to the successors, permitted assigns or transferees (whether immediate or derivative) of such Beneficiary.
- (b) Unless the contrary intention appears or as otherwise defined herein, a term used in the Security Trust Deed or in any notice given under, or in connection with, the Security Trust Deed has the same meaning in this Deed as in the Security Trust Deed or notice.
- (c) The index to and the headings in this Deed are for convenience only and are to be ignored in construing this Deed.
- (d) The terms of the documents under which the Secured Obligations arise and of any side letters between the parties hereto in relation thereto are incorporated herein to the extent required for any purported disposition of the Mortgaged Property contained herein to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Security Trustee considers that an amount paid to the Security Trustee or any Beneficiary for application in or towards repayment of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes hereof.
- (f) In acting hereunder, the Security Trustee does so pursuant to its terms of appointment under the Security Trust Deed and is entitled to the protections set out therein.

1.3 Certificates

A certificate of the Security Trustee setting forth the amount of any Secured Obligation due from the Chargor shall be prima facie evidence of such amount against the Chargor in the absence of manifest error.

2 Covenant to pay

2.1 Covenant

The Chargor hereby covenants with the Security Trustee for the benefit of itself and the Beneficiaries that it will pay or discharge the Secured Obligations on the due date therefor in the manner provided in the Relevant Documents. Any amount not paid hereunder when due shall bear interest (as well after as before judgment and payable on demand) at a rate equal to [2]% per annum over the highest interest rate for the time being payable under any of the Relevant Documents from time to time from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

2.2 Right of appropriation

Upon and after the occurrence of an Enforcement Event for so long as the same is continuing (unremedied or unwaived and is not remedied within any applicable grace period), the Security Trustee shall be entitled to appropriate monies and/or assets to be applied against the Secured Obligations in accordance with Clause 11 (*Application of proceeds*) and any such appropriation shall override any appropriation by the Chargor.

3 Fixed charges

3.1 Fixed charges

The Chargor with full title guarantee, as security for the payment of all Secured Obligations, charges in favour of the Security Trustee for the benefit of itself and the Beneficiaries:

- (a) by way of a first fixed legal mortgage all the property referred to in Schedule 1 together with all buildings and Fixtures, erections and structures thereon or in the course of construction thereon, the proceeds of sale of all or any part thereof and (so far as the same are capable of being mortgaged) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor and any monies paid or payable in respect of such covenants;
- (b) by way of first fixed charge:
 - (i) all plant and machinery (except for the Fixtures within Clause 3.1(a)) now or in the future owned by the Chargor and its interest in any plant and machinery in its possession which form part of or are operated on the Mortgaged Property;
 - (ii) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
 - (iii) the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with the Security Assets and the use of any of the Security Assets specified in Clauses 3.1(a) and 3.1(b)(i) and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
 - (iv) if and in so far as the legal mortgage set forth in Clause 3.1(a) or the assignments set out in Clause 3.2 shall for any reason be ineffective as legal mortgages or assignments, the assets referred to in those Clauses.

3.2 Assignments

The Chargor with full title guarantee as security for payment of the Secured Obligations covenants that, on the request of the Security Trustee, it shall following the occurrence of an Enforcement Event which is continuing (unremedied or unwaived and is not remedied within any applicable grace period) assign to the Security Trustee for the benefit of itself and the Beneficiaries (to the fullest extent assignable or capable of assignment without first infringing any contracted provision restricting the same) all of its rights, title and interest in and to:

- (a) the personal agreements and covenants (still subsisting and capable of being enforced) by the tenants, lessees, licensees or other parties under the Letting Documents and by all guarantors and all security held by the Chargor from time to time whether present or future in respect of the obligations of the tenants, lessees, licensees or other parties under the Letting Documents (including, without limiting the generality of the foregoing, all monies due and owing to the Chargor or which may become due and owing to the Chargor at any time in the future in connection therewith and any rent arrears or service charges due at any time from any tenants, lessees, licensees or other parties under the Letting Documents, regardless of whether such amounts became due before or after the date of this Deed);
- (b) all agreements now or from time to time entered into or to be entered into to enable the charging of the Security Assets and for the sale, letting or other disposal or realisation of the whole or any part of the Security Assets (including, without limiting the generality of the foregoing, all monies due and owing to the Chargor or which may become due and owing to the Chargor at any time in the future in connection therewith);
- (c) all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future so as to enable the Chargor to perfect its rights under this Deed or any such agreement, contract, deed, licence, undertaking, guarantee, covenant, warranty, representation or other documents) now or hereafter entered into by or given to the Chargor in respect of the Mortgaged Property and all claims, remedies, awards or judgments paid or payable to the Chargor (including, without limitation, all liquidated and ascertained damages payable to the Chargor under the above) in each case relating to the Mortgaged Property;
- (d) all licences held now or in the future in connection with the relevant Mortgaged Property and also the right to recover and receive all compensation which may at any time become payable to the Chargor in relation to the relevant Mortgaged Property;
- (e) all rights and claims to which the Chargor is now or may hereafter become entitled in relation to any development, construction project, redevelopment, refurbishment, repair or improvement of or on the relevant Mortgaged Property;
- (f) all guarantees, warranties, bonds and representations given or made now or hereafter by, and any rights or remedies against, all or any of the designers, builders, contractors, surveyors, valuers, professional advisers, sub-contractors, manufacturers, suppliers and installers of any Fixtures in respect of the relevant Mortgaged Property; and
- (g) all rental income and disposal proceeds in each case relating to the relevant Mortgaged Property which has not been assigned pursuant to Clauses 3.2(a), 3.2(b) or 3.2(c) and the right to make demand for and receive the same.

4 Continuing security, etc

4.1 Notices of assignment

Following the occurrence of an Enforcement Event which is continuing unremedied or unwaived the Chargor shall deliver to the Security Trustee (or procure delivery of) a Notice of Assignment duly executed by, or on behalf of, the Chargor in respect of any asset which is the subject of an assignment pursuant to Clause 3.2 (*Assignments*) promptly upon the request of the Security Trustee from time to time and in each case shall use all reasonable endeavours to procure that each such Notice of Assignment is acknowledged by the obligor or debtor specified by the Security Trustee (substantially in the form attached to such Notice of Assignment).

4.2 Continuing security

The security constituted by this Deed shall be continuing and will extend to the ultimate balance of all sums payable by the Chargor under the Relevant Documents, regardless of any intermediate payment or discharge in whole or in part.

4.3 Reinstatement

- (a) Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred.
- (b) The Security Trustee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

4.4 Immediate recourse

Subject to the provisions of the Security Trust Deed, the Chargor waives any right it may have of first requiring the Security Trustee or any Beneficiary to proceed against or enforce any other rights or security or claim payment from any other person before enforcing the security constituted by this Deed.

4.5 Additional security

This Deed is in addition to and is not in any way prejudiced by any other security now or hereafter held by the Security Trustee or any Beneficiary.

5 Representations and warranties

5.1 To whom made

The Chargor makes the representations and warranties set out in Clause 5.2 to the Security Trustee and each Beneficiary.

5.2 Matters represented

- (a) **The Mortgaged Property:** Save as disclosed in the most recent Certificate of Title relating to the Mortgaged Property addressed to the Security Trustee (and where any such disclosures have been accepted by (or on behalf of) the Relevant Beneficiary or the NAB Beneficiaries, as applicable):

- (i) the Chargor is the legal and beneficial owner of the Mortgaged Property subject to any Right to Buy or Shared Ownership Property arrangements;
 - (ii) (while the Mortgaged Property has been owned by the Chargor) planning permission has been obtained or is deemed to have been granted in accordance with statute for the purposes of the Planning Acts and has been complied with in respect to any development and the existing use of the Mortgaged Property and the Planning Acts and all relevant building regulations or previously relevant building bylaws have been complied with in respect of all developments, alterations and improvements to the Mortgaged Property (save where such building regulations or bylaws did not apply to the owner or its predecessors (whether immediate or derivative) at the relevant time) and they have also been complied with in respect of the use of the Mortgaged Property;
 - (iii) there are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting the Mortgaged Property which materially adversely affect or are reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (iv) (so far as the Chargor is aware, having made all reasonable enquiries) nothing has arisen or has been created or is subsisting which would be an overriding interest over the Mortgaged Property which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (v) no facilities necessary for the enjoyment and use of the Mortgaged Property are enjoyed by the Mortgaged Property on terms entitling any person to terminate or curtail its or their use which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (vi) the Chargor has received no notice of any adverse claims by any person in respect of the ownership of the Mortgaged Property or any interest therein, nor has any acknowledgement been given to any person in respect thereof; and
 - (vii) the Mortgaged Property will from the date hereof be free from any tenancies or licences other than those permitted under the Relevant Documents or in the form of an Approved Tenancy Agreement.
- (b) **Security:** Subject to the Reservations and registration at the Land Registry and [the Financial Conduct Authority], this Deed creates those Security Interests it purports to create ranking as set out above and is not liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise.

5.3 Times for making representations and warranties

The representations and warranties set out in this Clause 5 are made on the date of this Deed and are deemed to be repeated on the same date the representations and warranties are repeated under each Relevant Document.

6 Undertakings

6.1 Duration and with whom made

The undertakings in this Clause 6:

- (a) shall remain in force throughout the Security Period; and
- (b) are given by the Chargor to the Security Trustee and each Beneficiary.

6.2 Maintenance of Property

The Chargor will:

- (a) **Repair:** keep the Premises in good and tenable repair and condition and adequately and properly painted and decorated (or, as applicable, procure the same) and keep the Fixtures and all plant, machinery, implements and other effects for the time being owned by it and which are in or upon the Premises or elsewhere in a good state of repair and in good working order and condition (save for fair wear and tear) except where the Premises are subject to a development, construction, refurbishment, major repair or improvement scheme until the same is completed;
- (b) **Insurance:** maintain insurance cover in relation to its activities and assets relating to the Mortgaged Property against such risks and in such amounts as is usual for prudent Registered Providers carrying on activities of the type and scale which are carried on by the Chargor and promptly, on request from the Security Trustee, provide the Security Trustee with copies of all policies and contracts of insurance which relate to the Mortgaged Property or income deriving therefrom together with evidence that those policies and contracts are in full force and effect and comply with the requirements of the Security Documents;
- (c) **Noting of interest:** procure that a note of the Security Trustee's interest (as loss payee) is endorsed upon all policies of insurance relating to the Mortgaged Property (except where the relevant policy or policies are effected in the joint names of the Chargor and the relevant Beneficiaries (and, as appropriate, any third party) or the relevant policy or policies provide for the automatic noting of a mortgagee's interest and the Chargor has provided evidence of this satisfactory to the Security Trustee) which shall at any time during the subsistence of this security be effected, maintained or held by the Chargor, and use its reasonable endeavours to procure that the relevant policy or policies contain provisions that such policy or policies will not be terminated or otherwise allowed to lapse unless 14 days' prior notice is given to the Security Trustee;
- (d) **Maintenance of Insurances:** not do or knowingly permit anything to be done in or upon or relating to the Mortgaged Property or any part thereof which may make void or voidable any Insurance in connection therewith;
- (e) **Premiums:** promptly pay all premiums and do all other things necessary to keep all of the Insurances in force and, promptly on reasonable demand by the Security Trustee, produce to the Security Trustee the policy, certificate or cover note relating to each Insurance (as requested by the Security Trustee) and of the receipt for the payment of each such premium;
- (f) **Compliance with leases:** pay (if it is the lessee) the rents reserved by and (in any event) perform and observe all the covenants, agreements and stipulations on the part

of the Chargor contained in any lease or leases comprised within the Mortgaged Property and not to do or knowingly suffer to be done any act or thing whereby such lease or leases may become liable to forfeiture or otherwise be determined, provided that if a notice pursuant to section 146 of the Law of Property Act 1925 is served on the Chargor, the Chargor shall promptly inform the Security Trustee;

- (g) **Taxes and outgoings:** (save to the extent that payment of the same is being contested in good faith) pay as and when the same shall become payable all Taxes, rates, duties, charges, assessments and outgoings whatsoever (whether parliamentary, parochial, local or of any other description) which shall be assessed, charged or imposed upon or payable in respect of the Mortgaged Property or any part thereof (but not in respect of the occupier thereof where the Chargor is not the occupier);
- (h) **User:** use the Mortgaged Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts and not without the prior written consent of the Security Trustee, make any application for planning permission which could reasonably be expected to have an adverse effect on the value of any Mortgaged Property or implement any planning permission so obtained;
- (i) **Notices:** within 7 days after the receipt by the Chargor of any application, requirement, order or notice served or given by any public or local or any other authority in relation to the Mortgaged Property or any part thereof where the cost of compliance with that application, requirement, order or notice when aggregated with others outstanding at that time is in excess of £100,000 (as increased by RPI from the date of this Deed), give written notice thereof to the Security Trustee and also (within 7 days after demand) produce the same or a copy thereof to the Security Trustee and inform it of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;
- (j) **Statutes:** duly and punctually perform and observe all its obligations in connection with the Security Assets under any present or future statute or any regulation, order or notice made or given thereunder;
- (k) **Development:** not carry out, or permit to be carried out, on any part of the Mortgaged Property except with the previous consent in writing of the Security Trustee any development (within the meaning of that expression in the Planning Acts and being development for which the permission of the local planning authority is required) other than any development approved or contemplated under the Relevant Document (if any);
- (l) **Leases:**
 - (i) not without the previous consent in writing of the Security Trustee grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the Mortgaged Property or any part thereof or accept a surrender of any lease or tenancy or confer upon any person any contractual licence or right to occupy the Mortgaged Property other than an Approved Tenancy Agreement (or on terms which confer no fewer rights on the Chargor as the lessor or licensor and impose no obligations on the Chargor additional to those set out in an Approved Tenancy Agreement) and provided, on request by the Security Trustee following the occurrence of an Enforcement Event which is continuing, it notifies the Security Trustee of all leases, tenancies, licences or rights to occupy granted or surrendered by it and if so reasonably

requested by the Security Trustee provided it sends a copy thereof to the Security Trustee forthwith upon request;

- (ii) (in accordance with its enforcement and arrears policies as a Registered Provider (which shall be in a form that is in compliance with the Regulatory Framework or other guidance of the Social Housing Regulator)) enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any of the Letting Documents or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property;
 - (iii) not without the prior written consent of the Security Trustee accept or agree to accept the surrender or alteration of any of the Letting Documents which materially adversely affects or is reasonably likely to materially adversely affect the value of the Mortgaged Property and observe and perform all the covenants, conditions, agreements and obligations on its part in all respects (to the extent non-compliance materially adversely affects or is likely to materially adversely affect the value of the Mortgaged Property or the ability of the Chargor to perform its obligations under the Relevant Document); and
 - (iv) at any time after an Enforcement Event has occurred and is continuing after the expiry of any applicable grace period during which the Enforcement Event has not been remedied and upon the request of the Security Trustee, issue irrevocable instructions to the other parties to any Letting Document to pay rents and sums due under any Letting Document to the Security Trustee or into such accounts as the Security Trustee may require.
- (m) **Deposit of title deeds:** subject to the Relevant Documents, deposit with the Security Trustee all deeds and documents of title relating to the Security Assets (and it is hereby agreed that the Security Trustee shall be entitled to hold the same during the Security Period) except to the extent that any such Security Assets are released by the Security Trustee pursuant to the terms of the Relevant Documents;
- (n) **Access:** duly and punctually perform and observe all covenants and stipulations (restrictive or otherwise) affecting all or any part of the Mortgaged Property and indemnify the Security Trustee and each Beneficiary in respect of any breach thereof, provide the Security Trustee with such information as it may reasonably require regarding the Chargor's compliance with this Deed, and permit (so far as it is lawful and subject to the relevant tenant's rights) the Security Trustee and any person nominated by it at all reasonable times (provided that reasonable notice has been given by the Security Trustee to the Chargor) to enter upon the Mortgaged Property and view the state of the same;
- (o) **Investigation of title:** after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the Security Trustee reasonably believes is a Potential Enforcement Event which is continuing, grant the Security Trustee or its lawyers on request all such facilities within the power of the Chargor to enable such lawyers to carry out investigations of title to the Mortgaged Property and other property which is or may be subject to this security and enquiries into matters in connection therewith as may be carried out by a prudent mortgagee. Such investigations and enquiries shall be at the expense of the Chargor;

- (p) **Report on title:** after the occurrence of an Enforcement Event which is continuing and which is not remedied within any applicable grace period or an event which the Security Trustee reasonably believes is a Potential Enforcement Event which is continuing and only to the extent that no investigation of title has been conducted pursuant to Clause 6.2(o), forthwith on demand by the Security Trustee provide the Security Trustee with a solicitor's report in a form acceptable to the Security Trustee as to the title of the Chargor to the Mortgaged Property and other property which is or may be subject to this security and related matters concerning the items which a prudent mortgagee would properly require in a solicitor's report of this nature;
- (q) **Authorisations:** if so requested by the Security Trustee, obtain any material authorisation or material licence required in order to enable the Security Trustee pursuant to the powers of enforcement conferred on it by the Security Documents to sell vacant Mortgaged Property and comply with any local land charges, covenants (leasehold or otherwise) or restrictive covenants relating to such Mortgaged Property which are binding on it; and
- (r) **Energy performance:**
- (i) carry out any energy efficiency improvements necessary, or take any other steps necessary, to ensure that at all times each part of its Mortgaged Property which is designed to be let can be let or can continue to be let without breaching any applicable laws or regulations in respect of minimum levels of energy efficiency for properties; and
 - (ii) promptly following a request by the Security Trustee, provide to the Security Trustee a copy of the current energy performance certificate(s) in respect of each Mortgaged Property or evidence that an energy performance certificate is not required under any applicable law or regulation,

provided that nothing in this Clause 6.2 shall require or oblige the Chargor to do or procure to be done anything which is inconsistent with, or contrary to, the terms of any lease or leases under which the Chargor holds any part or parts of the Mortgaged Property.

6.3 **Negative pledge and disposals**

- (a) The Chargor shall not create or permit to subsist any Security Interest on any of the Security Assets or any income derived therefrom save as permitted under the terms of the Relevant Documents.
- (b) The Chargor shall not sell, transfer, grant or lease or otherwise dispose of all or any part of the Security Assets or any income derived therefrom save as permitted under the Security Trust Deed or the Relevant Documents.

7 **Power to remedy**

In case of default by the Chargor in repairing or keeping in repair or insuring the Mortgaged Property or any part thereof or in observing or performing any of the covenants or stipulations affecting the same, the Chargor will permit the Security Trustee or its agents and contractors to enter on the Mortgaged Property and to comply with or object to any notice served on the Chargor in respect of the Mortgaged Property and to effect such repairs or insurance or generally do such things or pay all such costs, charges and expenses as the Security Trustee may reasonably consider necessary or desirable to prevent or remedy any breach of covenant or stipulation or to comply with or object to any notice. The Chargor will indemnify and keep the

Security Trustee indemnified against all losses, costs, charges and expenses properly incurred in connection with the exercise of the powers contained in this Clause 7.

8 When security becomes enforceable

The security hereby conferred shall become immediately enforceable and the power of sale and other powers conferred by section 101 of the Law of Property Act 1925 as varied or amended by this Deed shall be immediately exercisable upon and after an Enforcement Event has occurred and is continuing (and has not been remedied within any applicable grace period). After the security constituted hereby has become enforceable, the Security Trustee may enforce all or any part of such security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of such security subject to the terms of the Relevant Documents.

9 Enforcement of security

For the purposes of all powers implied by statute the Secured Obligations shall be deemed to have become due and payable on the date hereof and section 93 of the Law of Property Act 1925 (restricting the right of consolidation) and section 103 of the Law of Property Act 1925 (restricting the power of sale) shall not apply to this security. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of that Act.

10 Receiver

10.1 Appointment of a Receiver

- (a) At any time after this security becomes enforceable or if the Chargor so requests the Security Trustee in writing at any time, the Security Trustee may without further notice appoint under seal or in writing under its hand any one or more qualified persons to be a Receiver of all or any part of the Security Assets in like manner in every respect as if the Security Trustee had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred.
- (b) In this Clause 10, **qualified person** means a person who, under the Insolvency Act 1986, is qualified to act as a Receiver of the property of any company with respect to which he is appointed.

10.2 Powers of a Receiver

In addition to those conferred by the Law of Property Act 1925 on any Receiver appointed under that Act, every Receiver appointed in accordance with Clause 10.1 shall have and be entitled to exercise all of the powers set out below. The powers referred to above are (in each case to the extent permitted by law):

- (a) **Take possession:** to take immediate possession of, get in and collect the Security Assets or any part thereof;
- (b) **Protection of assets:** to make and effect all repairs and Insurances and do all other acts which the Chargor might do in the ordinary conduct of its business as well for the protection as for the improvement of the Security Assets and to commence and/or complete any building operations on the Mortgaged Property and to apply for and

maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as he may in his absolute discretion think fit;

- (c) **Borrow money:** for the purpose of exercising any of the powers, authorities and discretions conferred on him by or pursuant to this Deed and/or of defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of the Security Assets or any part thereof either in priority to the security constituted by this Deed or otherwise and generally on such terms and conditions as he may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;
- (d) **Sell assets:** to sell, exchange, convert into money and realise all or any part of the Security Assets by public auction or private contract and generally in such manner and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may think fit. Fixtures, other than landlords fixtures, may be severed and sold separately from the property containing them without the consent of the Chargor;
- (e) **Leases:** to let all or any part of the Security Assets for such term and at such rent (with or without a premium) as he may think proper and to accept a surrender of any lease or tenancy thereof on such terms as he may think fit (including the payment of money to a lessee or tenant on a surrender);
- (f) **Compromise:** to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor in relation to the Security Assets or any part thereof;
- (g) **Legal actions:** to bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Security Assets or any part thereof as may seem to him to be expedient;
- (h) **Receipts:** to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Security Assets;
- (i) **Insolvency Act 1986:**
 - (i) all the powers (as varied and extended by the provisions of this Deed) conferred by the Insolvency Act 1986 on mortgagees in possession, Administrators, Receivers and Administrative Receivers (each as defined therein); and
 - (ii) to do all such other acts and things as any Receiver may consider desirable or necessary for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed and to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Chargor for all or any of such purposes;

- (j) **Building work:** to demolish, alter, improve, develop, complete, construct, modify or refurbish the whole or any part of the Mortgaged Property and the Fixtures thereon and to complete or undertake or concur in the completion or undertaking of any approved development (with or without modification) and any other project in which the Chargor was concerned or interested in prior to his appointment being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment or repair of the Mortgaged Property (or any part thereof) and the Fixtures and in particular (without prejudice to the generality of the foregoing) to carry out and complete such approved development;
- (k) **Repairs:** to undertake, effect or complete any work of repair, maintenance, modification, redecoration, improvement, fitting out and furnishing of the Mortgaged Property or any part thereof;
- (l) **Planning and environment:** to apply for and obtain any planning permissions, building regulation approvals, environmental permits and any other permissions, consents or licences in relation to the Security Assets or any part thereof;
- (m) **Services:** to provide all services (including, without limitation, heating, lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the Mortgaged Property;
- (n) **Contracts:** to enter into, perform, repudiate, rescind, vary, modify, assign, sub-let or novate any contract or agreement, option agreement, agreement for lease, building contract or professional appointment or otherwise for or which relates in any way to the Security Assets and to appoint, hire and employ and remunerate such contractors, advisers, professionals, agents, servants, attendants, managers, officers, workmen and others upon such terms and at such salaries, fees or remuneration and generally in such manner as he shall think fit and to discharge such persons;
- (o) **Acquire additional property:** to acquire any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the Security Assets or any part thereof and to grant or surrender, easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries; and
- (p) **General powers:** to do all such other acts and things as he may consider necessary or desirable for realising the Security Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed, to exercise in relation to the Security Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Chargor for all or any of such purposes.

10.3 Removal and remuneration

The Security Trustee may from time to time by writing under its hand (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it may deem it expedient, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it. The Security Trustee will consider any request from the Chargor to remove a Receiver provided the Chargor can show, to the reasonable satisfaction of the Security Trustee, that failure to remove such Receiver would be prejudicial to the proper realisation or disposal of the Chargor's assets or that the

specific Receiver in carrying out his appointment hereunder (and not, for the avoidance of doubt, the actual appointment of any Receiver), is prejudicing the Chargor's registration with the Social Housing Regulator.

10.4 Security Trustee may exercise

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Deed (either expressly or impliedly) upon a Receiver of the Security Assets may be exercised after the security hereby created becomes enforceable by the Security Trustee in relation to the whole of such Security Assets or any part thereof without first appointing a Receiver of such property or any part thereof or notwithstanding the appointment of a Receiver of such property or any part thereof.

11 Application of proceeds

Any monies received by the Security Trustee or by any Receiver appointed by it pursuant to this Deed and/or under the powers hereby conferred shall, after the security hereby constituted shall have become enforceable but subject to the payment of any claims having priority to this security and to the Security Trustee's and such Receiver's rights under Clause 10 (*Receiver*) be applied by the Security Trustee in accordance with Clause 7 (*Application of Proceeds*) of the Security Trust Deed.

12 No liability as mortgagee in possession

The Security Trustee shall not nor shall any Receiver appointed as aforesaid by reason of it or the Receiver entering into possession of the Security Assets or any part thereof be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable. Every Receiver duly appointed by the Security Trustee under the powers in that behalf herein contained shall be deemed to be the agent of the Chargor for all purposes and shall as such agent for all purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925. The Chargor alone shall be responsible for his contracts, engagements, acts, omissions, defaults and losses, liabilities incurred by him and for the payment of his remuneration, and neither the Security Trustee nor any Beneficiary shall incur any liability therefor (either to the Chargor or to any other person whatsoever) by reason of the Security Trustee's making his appointment as such Receiver or for any other reason whatsoever. Every such Receiver and the Security Trustee shall be entitled to all the rights, powers, privileges and immunities by such Act conferred on mortgagees and receivers when such receivers have been duly appointed under such Act but so that section 103 of that Act shall not apply.

13 Protection of third parties

No purchaser, mortgagee or other person or company dealing with the Security Trustee or the Receiver or its or his agents shall be concerned to enquire whether the Secured Obligations have become payable or whether any power which the Receiver is purporting to exercise has become exercisable or whether any money remains due under the Relevant Documents or to see to the application of any money paid to the Security Trustee or to such Receiver.

14 Expenses

All costs, charges and expenses properly incurred and all payments made by the Security Trustee or any Receiver appointed hereunder in the lawful exercise of the powers hereby conferred whether or not occasioned by any act, neglect or default of the Chargor shall carry interest (as well after as before judgment) at a rate equal to [2]% per annum over the highest

interest rate for the time being payable under any of the Relevant Documents (or in case of the Security Trustee, 2% per annum over the base lending rate of HSBC Bank plc from time to time) from the date of the same being incurred or becoming payable by the Chargor until the date the same are unconditionally and irrevocably paid and discharged in full. The amount of all such costs, charges, expenses and payments and all such interest thereon and all remuneration payable hereunder shall be payable by the Chargor on demand in accordance with the Security Trust Deed.

15 Indemnity

The Security Trustee and the Relevant Beneficiaries and every Receiver, attorney, manager, agent or other person appointed by the Security Trustee hereunder shall be entitled to be indemnified out of the Security Assets in respect of all liabilities and expenses properly incurred by them in the execution or purported execution of any of the rights, powers, authorities or discretions vested in them pursuant hereto and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Security Assets and the Security Trustee, the Relevant Beneficiaries and any Receiver may retain and pay all sums in respect of the same out of any monies received under the powers hereby conferred.

16 Delegation by the Security Trustee and Receiver

The Security Trustee may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the rights, powers, authorities and discretions which are for the time being exercisable by the Security Trustee or any Receiver under this Deed in relation to the Security Assets or any part thereof. Any such delegation may be made upon such terms and subject to such regulations as the Security Trustee or any Receiver may think fit. Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate (provided it acted properly in the appointment of the same).

17 Further assurances

17.1 Statutory covenant

The obligations of the Chargor set out in Clause 17.2 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994.

17.2 General

The Chargor shall at its own expense execute and do all such assurances, acts and things as the Security Trustee may require for perfecting or protecting the security intended to be created hereby over the Security Assets or any part thereof or for facilitating the realisation of the Security Assets or any part thereof and in the exercise of all rights, powers, authorities and discretions vested in the Security Trustee or any Receiver of the Security Assets or any part thereof or in any such delegate or sub-delegate as aforesaid. To that intent, the Chargor shall in particular execute all transfers, conveyances, assignments (whether legal or equitable) and assurances of such property whether to the Security Trustee or to its nominees and give all notices, orders and directions and make all registrations which the Security Trustee may reasonably think necessary and obtain all necessary consents to procure the registration of this Deed at the Land Registry.

17.3 Legal charge

Without prejudice to the generality of Clauses 17.1 and 17.2, the Chargor will forthwith at the request of the Security Trustee execute a legal mortgage, charge or assignment over all or any of the Security Assets subject to or intended to be subject to any fixed security hereby created in favour of the Security Trustee (as trustee as aforesaid) in such form as the Security Trustee may reasonably require.

17.4 Consents

The Chargor shall use all reasonable endeavours to obtain (in form and content satisfactory to the Security Trustee) as soon as possible any consents necessary to enable the assets of the Chargor purported to be so charged or assigned to be the subject of an effective fixed charge or assignment pursuant to Clause 3 (*Fixed charges*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and the Chargor shall promptly deliver a copy of each consent to the Security Trustee.

17.5 Implied covenants for title

The obligations of the Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.

18 Redemption of prior mortgages

The Security Trustee may, at any time after the security hereby constituted has become enforceable, redeem any prior Security Interest against the Security Assets or any part thereof or procure the transfer thereof to themselves and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargor save for manifest error. All principal monies, interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargor to the Security Trustee on demand.

19 Power of attorney

19.1 Appointment

The Chargor hereby by way of security and in order more fully to secure the performance of its obligations hereunder irrevocably appoints the Security Trustee and every Receiver of the Security Assets or any part thereof appointed hereunder and every such delegate or sub-delegate as aforesaid to be its attorney (with full power of substitution) acting severally, and on its behalf and in its name or otherwise (at any time after the occurrence of an Enforcement Event which is continuing) to execute and do all such assurances, acts and things which the Chargor ought to do under the covenants and provisions contained in this Deed (including, without limitation, to make any demand upon or to give any notice or receipt to any person owing monies to the Chargor and to execute and deliver any charges, legal mortgages, assignments or other security and any transfers of securities) and generally in its name and on its behalf to exercise all or any of the rights, powers, authorities and discretions conferred by or pursuant to this Deed or by statute on the Security Trustee or any such Receiver, delegate or sub delegate and (without prejudice to the generality of the foregoing) to seal and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it or he may reasonably deem proper in or for the purpose of exercising any of such rights, powers, authorities and discretions.

19.2 Ratification

The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in Clause 19.1 shall do or purport to do in good faith in the exercise or purported exercise of all or any of the rights, powers, authorities and discretions referred to in such.

20 New accounts

If the Security Trustee or any Beneficiary receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Security Assets and/or the proceeds of sale thereof, the Security Trustee or such Beneficiary may open a new account or accounts with the Chargor. If the Security Trustee or such Beneficiary (as the case may be) does not open a new account it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and as from that time all payments made to the Security Trustee or such Beneficiary shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Deed is security.

21 Stamp duties

The Chargor shall pay and, forthwith on demand, indemnify the Security Trustee and each Beneficiary against any liability it incurs in respect of any stamp, registration and similar Tax which is or becomes payable in connection with the entry into, performance or enforcement of this Deed.

22 Perfection of security

The Chargor shall be bound by and hereby irrevocably authorises the Security Trustee to execute on its behalf any document required to perfect the security granted to the Beneficiaries pursuant to the Relevant Documents.

23 Waivers, remedies cumulative

23.1 The rights of the Security Trustee and each Beneficiary under this Deed:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

23.2 The Security Trustee may waive any breach by the Chargor of any of the Chargor's obligations under the Relevant Documents.

24 Set-off

The Security Trustee and each Beneficiary may (to the extent that the same is beneficially owned by it) set-off any matured obligation due from the Chargor under the Relevant Documents against any matured obligation owed by the Security Trustee or such Beneficiary (as the case may be) to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee or such

Beneficiary (as the case may be) may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

25 Time deposits

Without prejudice to Clause 24 (*Set-off*), if any time deposit matures on any account the Chargor has with the Security Trustee or any Relevant Beneficiary at a time within the Security Period when:

- (a) this security has become enforceable; and
- (b) no amount of the Secured Obligations is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Trustee or such Beneficiary in its absolute discretion considers appropriate unless the Security Trustee or such Beneficiary (as the case may be) otherwise agrees in writing.

26 Severability

If a provision of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Deed; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Deed.

27 Counterparts

This Deed may be executed in any number of counterparts and this will have the same effect as if the signatures on the counterparts were on a single copy of this Deed.

28 Notices

28.1 Giving of notices

All notices under, or in connection with, this Deed shall be made in writing and, unless otherwise stated, may be made by letter, fax or electronic communication. Any such notice is deemed to be given as follows:

- (a) if by letter, when delivered (delivery shall be deemed to be immediate if by hand or 2 Business Days after posting if sent by first class post);
- (b) if by fax, when received (provided that all of it is legible); or
- (c) if by electronic communication, in accordance with Clause 28.3.

However, a notice given in accordance with the above but received on a non-Business Day or after business hours in the place of receipt is deemed to be given on the next Business Day in that place.

28.2 Addresses for notices

The address, fax number and (if applicable) email address of the Chargor and the Security Trustee for all notices under, or in connection with, this Deed are:

- (a) in the case of the Chargor:

[[•]

Fax: [•]
Email: [•]
Attention: [•][*TBC by Chargor*]

- (b) in the case of the Security Trustee:

Prudential Trustee Company Limited
10 Fenchurch Avenue
London EC3M 5AG

Fax: 020 3977 8990
Email: Trustees@MandG.co.uk
Attention: Corporate Trust Manager

or, in each case, such other details as one may notify the other in writing by not less than 7 days' notice.

28.3 Electronic notices

- (a) Any communication to be made between the Chargor and the Security Trustee under or in connection with this Deed may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if the Chargor and the Security Trustee:
- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than 5 Business Days' notice.
- (b) Any such electronic communication as specified in Clause 28.3(a) which is to be made between the Chargor and the Security Trustee may only be made in that way to the extent that the Chargor and the Security Trustee agree (unless and until notified to the contrary) that this is to be an accepted form of communication.
- (c) Any such electronic communication as specified in Clause 28.3(a) will be effective only when actually received (or made available) in readable form, and in the case of any electronic communication made to the Security Trustee only if it is addressed in such a manner as the Security Trustee shall specify for this purpose.
- (d) Any electronic communication which becomes effective in accordance with Clause 28.3(c) after 5.00 pm in the place in which the party to whom the relevant communication is sent or made available has its address for the purpose of this Deed shall be deemed only to become effective on the next Business Day in that place.

- (e) Any reference in this Deed to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 28.3.

29 Provisions as to security

29.1 Land registration

The Chargor hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of the following restriction in the Proprietorship Register of any property which is, or is required to be, registered forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [the date of this Deed] in favour of Prudential Trustee Company Limited referred to in the charges register or their conveyancer."

29.2 Further advances

- (a) Subject to the terms of the Relevant Documents, certain Beneficiaries are under an obligation to make further advances to the Chargor in accordance with the terms of their respective Relevant Documents.
- (b) For the purposes of section 94(1)(c) of the Law of Property Act 1925, section 49(3) of the Land Registration Act 2002 and Rule 108 of the Land Registration Rules 2003, the obligation on the relevant Beneficiaries to make further advances will be deemed to be incorporated in this Deed as if the same were set out in this Deed.
- (c) For the purposes of the Land Registration Rules 2003 and section 49(3) of the Land Registration Act 2002, the Chargor hereby consents to the lodgement at the Land Registry of an application by or on behalf of the Security Trustee for the entry of a note of the obligation to make further advances on the Charges Register of any registered land forming part of the Mortgaged Property.

29.3 Certification

The Chargor hereby certifies that the security created by this Deed does not contravene any of the provisions of the [Co-operative and Community Benefit Societies Act 2014][Companies Act 2006], any other relevant law or regulation applicable to the Chargor or the rules of the Chargor.

29.4 Implied terms

The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 3 (*Fixed charges*). It shall be implied in respect of Clause 3 (*Fixed charges*) that the Chargor is disposing of the Security Assets free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

30 Further representation and warranty

The Chargor hereby warrants that the Mortgaged Property comprises the same properties as have been valued for the benefit of the Relevant Beneficiaries, copies of which valuation have been provided to the Relevant Beneficiaries.

31 Release

Upon the expiry of the Security Period, the Security Trustee shall, at the request and properly incurred cost of the Chargor (and without recourse, representation or warranty), take whatever action is necessary to release and to reassign to the Chargor the Security Assets from the security constituted by this Deed.

32 Governing law and service of process

32.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, the laws of England.

32.2 Any letter or other communication notifying a claim or serving legal proceedings under or in connection with this Deed must be made pursuant to Clause 28 (*Notices*), but may not be made by way of fax.

32.3 The Civil Procedure Rules for service and deemed service will not apply to any letter or other communication notifying a claim or serving legal proceedings under or in connection with this Deed.

33 [Charity

The Mortgaged Property is held by (or in trust for) [*Chargor*], an exempt charity.]

In witness whereof this Deed has been duly executed as a deed but not delivered until the date first above written.

Schedule 1

Mortgaged Property

All the land and buildings contained in and (save where expressly stated otherwise) comprising the whole of the title number set out in the table below and including all of the dwellings specified in such table:

◆

Schedule 2

Notice of Assignment

To: [●]

Dated: [●]

Notice of assignment

We hereby give notice that by a legal mortgage dated [●] made between [*Chargor*] as chargor (the **Chargor**) and Prudential Trustee Company Limited as security trustee (the **Security Trustee**) (the **Charge**), the Chargor assigned to the Security Trustee as Security Trustee for and on behalf of itself and the Beneficiaries (as defined in the Charge) from time to time all its rights, title and interest in [*describe assigned assets*] (the **Assigned Assets**) as security for the payment of all Secured Obligations (as defined in the Charge).

By signing and returning to the Security Trustee the additional copy of this notice, please acknowledge notice of the Charge and confirm and agree that:

- 1 you have not received notice of any previous assignment, charge, lien or other security interest of or affecting the Assigned Assets;
- 2 all monies due or to become due from you to the Chargor under the Assigned Assets shall be paid to the Chargor's account with [●] (account number: [●]; sort code: [●]) or to such other account as the Security Trustee may notify you in writing and without set-off or counterclaim save as provided in the Assigned Assets; and
- 3 you will not without prior written consent of the Security Trustee determine or amend the Assigned Assets.

Until the Security Trustee shall serve written notice to the contrary, the Chargor shall be entitled, subject to the provisions of this notice, to exercise its rights under the Assigned Assets.

Yours faithfully

.....
Duly authorised signatory
for and on behalf of
[**Chargor**]
as the Chargor

To: **Prudential Trustee Company Limited**
(in its capacity as Security Trustee for the Beneficiaries);

and

To: [●]

Acknowledgement

We hereby confirm and agree to the terms set out above.

..... Dated:

Duly authorised signatory
for and on behalf of
[●]

EXECUTION PAGE OF THE LEGAL MORTGAGE

Chargor

The common seal of)
[**CHARGOR**])
was affixed to this Deed in the presence of)

.....
Authorised Signatory

.....
Authorised Signatory

[to conform with relevant Board resolution of the relevant Chargor]

Security Trustee

Executed as a deed by affixing the common)
seal of)
PRUDENTIAL TRUSTEE COMPANY)
LIMITED
in the presence of

.....
Sealing Officer

EXECUTION PAGE OF THIS SECURITY TRUST DEED

Security Trustee

Executed as a deed by affixing the common seal of)
PRUDENTIAL TRUSTEE COMPANY LIMITED)
in the presence of)

.....
Sealing Officer

Address: Prudential Trustee Company Limited **U. Avan-Nomayo**
10 Fenchurch Avenue
London EC3M 5AG

Fax: 020 3977 8990

Email: Trustees@MandG.co.uk

Attention: Corporate Trust Manager



Initial Chargor

The common seal of)
OPTIVO)
was affixed to this Deed in the presence of)

.....
Authorised Signatory

.....
Authorised Signatory

Address: 125 High Street
Croydon
Surrey CR0 9XP

Email: Tariq.Kazi@optivo.org.uk

Attention: Tariq Kazi, Head of Treasury

EXECUTION PAGE OF THIS SECURITY TRUST DEED

Security Trustee

Executed as a deed by affixing the common seal of)
PRUDENTIAL TRUSTEE COMPANY LIMITED)
in the presence of)

.....
Sealing Officer

Address: Prudential Trustee Company Limited
10 Fenchurch Avenue
London EC3M 5AG

Fax: 020 3977 8990

Email: Trustees@MandG.co.uk

Attention: Corporate Trust Manager

Initial Chargor

The common seal of)
OPTIVO)
was affixed to this Deed in the presence of)



.....
Authorised Signatory



.....
Authorised Signatory

Address: 125 High Street
Croydon
Surrey CR0 9XP

Email: Tariq.Kazi@optivo.org.uk

Attention: Tariq Kazi, Head of Treasury

4709.

Initial Beneficiary

Executed as a deed for and on behalf of
OPTIVO FINANCE PLC

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)



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Authorised Signatory



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